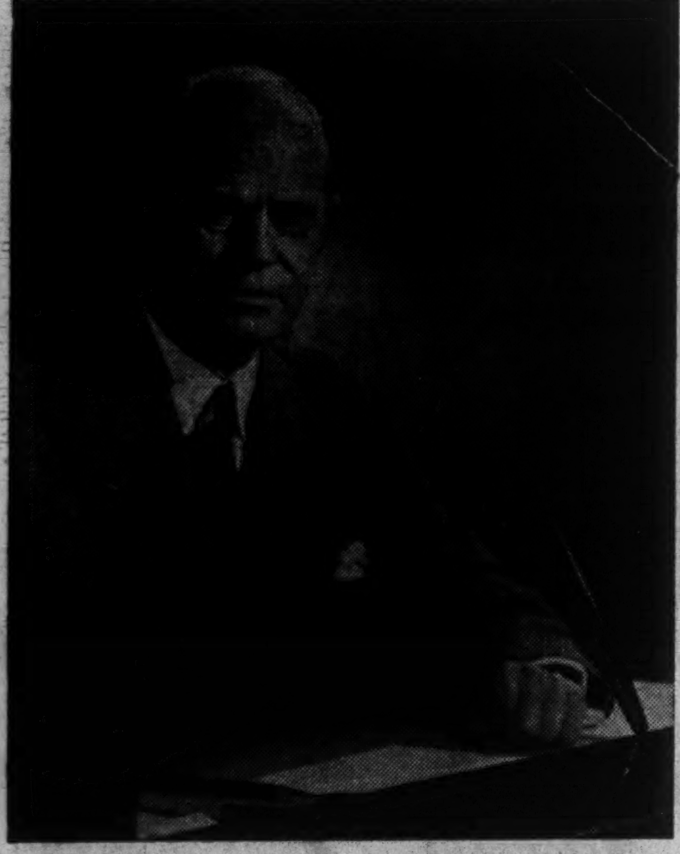
The Financial Post
The Canadian Newspaper for Businessmen and Investors
Vol. XLII Fifteen Cents an Issue, Five Dollars a Year Publication Office: Toronto, February 14, 1948 Member of Audit Bureau of Circulations No. 7

Bank of Montreal Head



Bertie Charles Gardner, this week elected president of the 130-year-old Bank of Montreal, has spent his entire life in the banking business. English-born, he came to Canada in 1906, joining the old Bank of British North America, later merged with the Bank of Montreal. He served with the Cameron Highlanders of Canada in World War I; was twice severely wounded; attained the rank of major and won the Military Cross. In 1942 he was made general manager; in 1944 vice-president and general manager and at the last annual meeting in December executive vice-president. He was recently elected a director of the Royal Trust Co.

THE NATION'S BUSINESS

Easing of Prices Cause for Relief

Relief at the decisive declines in U. S. commodity prices will be general. From what has happened so far, there is certainly no cause for gloomy prognostication.

The conclusion is otherwise. The more commodity prices continued to climb, the more ominous the outlook. If the "break in U. S. commodity prices" of the past couple of weeks means that the upward surge of prices has been halted, we all have reason for breathing more easily. Only trouble would have resulted from a continued rise.

What does the U. S. market "break" mean so far as Canada is concerned?

No one would wisely predict at this time. The present economic and psychological climate in Canada and in the U. S. differs in some important respects.

But two important angles are of importance:

The Canadian and the United States price levels must eventually stabilize at around the same level. Politically these are separate countries. But economically and, above all, psychologically, they are a great deal less than independent. The general level of Canadian prices has remained below that of the U. S. Perhaps Canada has not yet seen the end of rise in her general price level. But the events of last week on U. S. commodity markets strongly suggest that Canadian prices may, in the not distant future and not far from present levels, find some kind of equilibrium.

May Help Marshall Plan

A second reason for Canadian satisfaction at U. S. commodity price declines is the likely effect on the American program for European aid (call it ERP, Marshall Plan or what you will). And, no Canadian can contemplate the Congressional fate of that program without deepest concern because it will affect this country so deeply.

U. S. farmers and commodity groups generally have taken the dimmest view of any European aid program. While domestic prices were towering and domestic markets seemed bottomless, aid to Europe schemes brought much opposition.

Nothing, perhaps, could bring such a rapid shift in U. S. isolationist opinion about aid to Europe as the past week's developments on U. S. commodity markets. To some degree, therefore, the prospects of world recovery have improved.

No wise prophet will now say what happens next on U. S. commodity prices. The speculative interest in at least some of the commodities is reported to be large. Now that stock exchange regulations on short and margin dealings are so strict many have turned to these other outlets for their speculative urges, and certainly the behavior of U. S. commodity markets in recent days indicates that speculative interest was substantial. Hence, it would be unwise to attach too much significance to the successive surges of market decline.

And, above everything else, it must be remembered that weather holds the ultimate key to prices for many commodities in months ahead. Round-the-world surveys of crop conditions at this time may tell a favorable and reassuring story. But forecasts and harvests can be very different things. Until Northern Hemisphere food crops are actually coming to market, the most important factor on the price outlook will be known only to heaven. Meanwhile, the news is favorable.

* * *

Waste in Our Universities

The University of Toronto president spoke very courageously last week. In his annual report to the Governors and Senate, Sidney E. Smith very bluntly said aloud what nearly everybody is whispering: A great many attending universities are wasting their own and everybody else's time.

Said President Smith: Raise entrance requirements. Limit the annual registration to 10,000. (It is now an elephantine 17,000.)

> "While we assert that there should be an equality of opportunity for youths who have the talent and capacity to pursue with distinction higher education, we must take the stand that a university course is not an inalienable right of every boy and girl . . .
>
> "Nonuniversity men and women are as truly essential for the common weal as the holders of degrees. Universities, however, cannot achieve standards of excellence and fulfil their obligations to the society which supports them if the energies of the staffs are to be frittered away and money wasted in the effort to educate the indolent and incompetent. Moreover, the years that are lost for those students and their sense of frustration are not to be overlooked."

Things like that very much need saying. Particularly in recent decades, thousands have been crowding universities because of the misplaced belief that a university education guarantees their holders extra happiness or riches. Other thousands go to university mainly because their parents have or dig for money to keep them there, and because those four or more years permit a pleasant postponement of the time when the realities of making a living must be faced.

President Smith is to be commended for his declaration. It should strengthen officials and politicians elsewhere in withstanding the drive to weaken further the value of the universities. Higher standards for getting into and for staying in university are essential in the national interest.

To Save $75 Millions By Auto Import Plan

Sees No Sharp Cut in Cars for Canadians as Dollar Lack Abroad Curbs Export Hopes — Dealers in U. S. Vehicles Chief Sufferers

OTTAWA (Staff)—Official estimate of the U. S. dollar savings as a result of the Canada's restriction on the import of cars, parts, trucks, etc., is $75 millions annually.

(Canada's total gold production during last year was just slightly over $100 millions.)

Long-delayed and one of the most troublesome and tangled topics that Ottawa has tackled in the entire "austerity" program, the auto import system is a masterpiece of complexity—at least in appearance.

Chief victims of the import control program are dealers and distributors of high-priced cars and of cars not made in Canada.

Domestic manufacturers will now have the encouragement of economic compulsion (a) to increase the Canadian content of their cars and (b) to sell more cars in dollar areas abroad.

Here is what the new setup means to Canadian auto manufacturers and car owners, and why:

Virtually no imports, particularly in the high-price range. (General Motors is not likely to bring in Buick, Oldsmobile 8s, Pontiac 8s, Cadillac.)

"If we spent $30 millions bringing in new cars in the base period, that part of our allotment now dwindles to about $3 millions. That's not much. So we'll use that $3 millions to buy parts in the U. S. to build more of the cheaper line in Canada," one auto industry representative told The Financial Post.

Almost as many Canadian-made cars as last year.

The quota boils down to 75% of the parts imports in the base period (year ending Oct. 31, 1947). With the U. S. dollars formerly used to bring in bigger cars, some more parts may be purchased from the U. S. Some additional supply is hoped for

(Continued on page 2, col. 4)

$1.4 Billions Canada Credit Already Used

OTTAWA (Staff)—British and foreign customers had used $1.4 billions of Canadian credits up to Jan. 31, Finance Minister Abbott disclosed this week. Britain had used $978 millions (78% of her total credit of $1¼ billions); other countries, $456 millions out of $607 millions advanced under the Export Credits Insurance Act.

Earlier, in the House of Commons, figures were tabled to show in detail the amounts outstanding for each country as at Dec. 31, 1947. These were:

CREDITS AND LOANS

	Authorized 1947)	Loaned 1947)
Belgium	$100,000,000	$67,000,000
China	60,000,000	32,640,088
Czechoslovakia	19,000,000	12,067,963
France	242,500,000	198,435,000
Netherlands	125,000,000	104,638,131
Neth. Indies	15,000,000	10,000,000
Norway	30,000,000	19,962,000
Russia (loan for purch. of flour.	10,000,000	*10,000,000
Russia (Export Credit Ins. Act Loan	3,000,000	2,866,098
U.K.	1,250,000,000	963,000,000

*Repaid in full as at Dec. 31, 1947.

Also tabled last week were figures to show amounts contributed by Canada to European and postwar aid in other ways. These outright gifts total $3.5 billions.

OUTRIGHT GIFTS

	$
Wheat gift to Greece	19,382,000
War Appropriation to U.K. (1942)	1,000,000,000
Mutual Aid:	
U. K.	1,870,978,000
Russia	159,113,000
Australia	91,119,000
India	18,826,000
China	26,597,000
France	23,629,000
New Zealand	15,278,000
B.W.I.	5,518,000
Greece	12,000
Total (Mutual Aid)	2,211,070,000
UNRRA	154,000,000
Post-UNRRA Relief	20,000,000
Military Relief	95,600,000
Total	$3,500,000,052

PRICES

U. S. food prices took some big slashes this week as grain and commodity prices fell but no such cuts can be expected here yet (see adjoining column).

All other factors aside, however, retailers are expecting to find themselves in the middle of severe competition by midsummer in many areas — competition which will bring some reductions as the fight to pare overheads gets under way.

Reason for the stepping-up of competition lies in the expansion programs of the chains, many of whose new stores will be operating by summer.

Independent retailers meanwhile are considering co-operative buying as one answer to the overhead problem—and as an answer to stiff competition from the chains.

Downward revision of some markups with upward revision on others, discouragement of credit and delivery service without charge are some of the means being considered by retailers to fight their own prices battle and consumer resistance to current prices.

Toronto merchants meanwhile were charging that some bakeries were selling bread to the chains at approximately 8c a loaf for retail at 10c as against the 11½c charged to independents to be retailed at 14c and they were asking Finance Minister Abbott to have this charge investigated by the Parliamentary Prices Commission.

The Commission started its hearings at midweek with the powers of a Royal Commission to call witnesses and engage experts. It proposed first of all to study the prices of staples such as bread, butter, meat, vegetables, shoes and clothing.

Reaction here to falling prices on cotton and hides futures in New York is obscured presently by the import regulations on those items.

Cotton is subject to a 32% import quota, and decreases cannot be expected to be fully reflected in finished goods until this position is cleared, especially as U. K. imports are at extremely high price levels.

Hide prices will not have much

(Continued on page 2, col. 6)

How Capital Import Plan Will Work

OTTAWA (Staff) — The new pattern of the "dollar allotment" announced this week to the automotive industry is to be applied sooner or later to all types of capital imports, The Financial Post is informed.

Prime essentials of the "pattern" are:

1. A quota for "bank account" of U. S. dollars based on imports in the 12 months ending Oct. 31, 1947. Percentages will vary with each industry but the base period will probably remain unchanged. The "pattern" for each industry is obtained by taking average U. S. dollar contents over the period, for the majority of manufacturers, and striking an allotment percentage based on actual performance in the period.

2. A 2-for-1 U. S. dollar export bonus which "pyramids" to greatly expand available dollars for firms which can increase export sales over what they were in the base period. The 2-for-1 ratio will probably be a general target, but may vary in different industries dependent on "equity."

It is now quite likely that there will be a further postponement of the March 1 deadline for licensing machinery and structural steel imports. What may develop is that the large tariff items scheduled for treatment March 1 will be broken down and dollar allotment treatment worked out for groups within the broad classification.

Under the scheme there will be no leeway for the expansion of manufacturing facilities in Canada unless firms were actually manufacturing or had made substantial commitments to manufacture in Canada prior to November 17.

Another Gas Price Increase Likely For B.C.

There are increasing indications that the B. C. Government will offer oil companies a further gas price increase before the end of the month — possibly another 1½c a gallon. This, along with the 3c-a-gallon boost would bring the rise up to the minimum asked for by Imperial Oil Co., the biggest refinery company operating in the province.

This week British American Oil Co. cut deliveries to retail outlets by 25% and halted all capital expenditures in this province. Now all major oil companies have cut deliveries by varying amounts —the over-all effect is an estimated one-third reduction in gasoline available to the B. C. motorist.

In the meantime every gasoline station has introduced its own form of rationing to assure commercial supplies, essential travel and some gasoline for the casual motorist. Gasoline retailers have been allowed an extra 1c spread, by the oil controllers office.

Can U.S. Price Slide Put Skids on Here?

Grains Topple But U. K. Contract Still Vital Factor Propping Food Prices; Future of Grain, Livestock Embargoes in Spotlight

(See also page 26)

How does the past week's dramatic slide in U. S. commodity prices affect the Canadian picture?

It can bring nearer the return of free exporting of grains and livestock to the U. S.

Pricewise it cannot mean much, if anything, to the Canadian consumer in the near future: certainly there will be no such rapid slashing of food prices as the U. S. consumer has seen in the past week.

It does raise some burning questions about the U. K. food contracts and their function as a floor to domestic consumer prices, particularly in meats.

It has had its reflection in the decline of coarse grains on the Winnipeg market and in the biggest weekly drop in 17 months in industrials on the Toronto stock exchange.

And, in the price of the wheat we sell to countries other than the United Kingdom—the Canadian wheat farmer's only so-called free market—which fell from its mid-January peak of $3.37 to $2.75 (at Tuesday); as dramatic a break in the kingpin commodity as the American fall from $3 wheat to $2.51½.

Effect Slight Here

What about Canadian food prices?

In Ottawa and in trade circles the opinion is firmly held that there is little prospect of our retail prices reacting to the U. S. decline until the American rates get closer to the lower Canadian prices range.

American staples, it is pointed out, were away out of line.

As for meat prices, the important factor to be remembered is that our contracts with the United Kingdom are the determining factor in our home prices.

At the same time, further decreases in Canadian feed grain prices, coupled with further reductions in livestock prices in the United States, must bring the question of grain and livestock exports to the United States to the point where the Government may find it impossible to justify continuance of present embargoes.

Some Western grain men believe that point is very near. The fact that Canadian prices have been influenced so closely by declines in the United States is developing a good deal of criticism of the Government's grain policy in this direction.

Would Export Coarse Grains

It is argued that the recent declines at Winnipeg would have been unnecessary had the Government been willing to relax the prohibition on the export of oats and barley, for it now appears that there is some surplus of these grains over domestic requirements.

That such a surplus could readily find a market abroad is indicated by the fact that mixed feed oats, under special permit from the Wheat Board, have recently been sold to Switzerland at approximately 80c a bushel plus an export equalization fee of 47-48c a bushel.

Remedy suggested by the grain men in Winnipeg is a simple announcement that the Government would allow export as soon as it is clear beyond a doubt that there is a surplus for that purpose.

Apart from these considerations, the Government is almost certain to be faced by a barrage of criticism from consumer groups on the question of falling grain prices accompanied by sustained high meat prices — prices which have been justified by the increase in

(Continued on page 2, col. 5)

Inside News

Only "Paper" Surplus

Canada's apparent favorable trade balance of $70 millions actually represents a cash deficiency of approximately $530 millions, since approximately $600 millions of export sales were only made possible through Canadian credits. Emphasizing this point in the annual report of the Bank of Canada, Governor Graham Towers warns that Canada must either increase her cash export sales, or restrict her import buying (p. 26).

Take a Look at Quebec

Quebec, Canada's historic link between the Old World and the New, today looks forward to wider horizons than ever before, in every field of her industrial development. The Financial Post presents its annual review of the industries and resources of the Dominion's first-settled province (pages 33 to 48).

New Bank Deposit Peak

Loans and deposits of Canadian chartered banks in December reversed their performance of the previous month, loans showing a drop from November's record high, while public deposits reached a new peak at $6,036 millions, $21 millions above the previous high set in October. The decline in loans was described as seasonal and normal (p. 25).

Should Cut Public Debt

In view of the present high level of national income, governments should be reducing debt, in the opinion of representative Canadians questioned by The Financial Post. Opinions differed on tax cuts; some fearing that these might encourage inflation, rather than saving (p. 11).

Insurance Aids Economy

Life insurance plays an important role in Canada's national economy, by providing security, and by helping to curb inflation. This was the keynote sounded at recent annual meetings of insurance companies. Firmer interest rates, achievements of free enterprise, improvement in mortality rates, were other themes discussed (p. 24).

Aviation 'Just Starting'

What's ahead for Canada's aviation industry? The war proved its strength and flexibility when the demand was urgent; will peace provide sufficient opportunity to keep it flourishing? Leaders in the industry say "YES," and tell The Financial Post why (p. 20).

DP's in Demand

Demand for "displaced person" European immigrants far exceeds the supply, in Canada today. Employers—mainly in the mining, clothing, construction and paper industries—have filed applications for the services of 20,200 DP's while only 5,091 have been admitted to the country, up to the end of 1947 (p. 17).

Racketeers Losing Out

Crackpots and racketeers who plague the housewife and the businessman with their swindles and get-rich-quick schemes, are fighting a losing battle against honest business practice in Canada. The Financial Post reviews the role played by Better Business Bureaus in Canada's major cities, in the fight (p. 43).

	Page
Advertising Business	18
Banking News	25
Construction Trends	12
Insurance News	24
Labor Roundup	15
Mine Development	30
Provincial Roundup	7
What's New in Business	13
You Asked Us	21

U.S.-Canada Policy Pattern

Here's First-hand Report on Major Issues

BY KENNETH R. WILSON

WASHINGTON — Futures of four major points of U. S. policy in business relations with Canada now appear reasonably clear-cut:

1. Chances of the St. Lawrence Seaway Bill being approved by the Senate on Feb. 27 are considered virtually nil. Decision of Senator Taft to vote against it is considered as turning the debate this way, but I am told on good authority that Canada might have swung the debate favorably if more positive interest in and prospects for development of the Hollinger iron ore body had been given.

2. It now seems unlikely that Congress will even consider, much less approve, the Geneva Trade Agreement at this present session. For Canada this means no chance of the U. S. presently implementing its important commitments on customs procedure, administration, etc. Chief reason given for postponement are delay and difficulties at Havana.

3. ERP aid is virtually sure to be approved for "off-shore" (Canadian) purchases, as well as domestic. But it will be six to eight weeks before any formula will be worked out as to terms and conditions of financing these off-shore purchases.

4. The "crisis" in Canada-U. S. relations over oil, steel and other items is now thought past. But that doesn't mean there may not be further limitations and controls. Point is that the "crisis" arose because of a lack of proper machinery (under the Hyde Park "understanding") to implement the intent of both administrations to co-operate. Neither side will be caught napping again and plans will emerge that will not greatly change Canada's present position, yet assure Congress and other interested U. S. groups that Canada is not being given preferential treatment.

ERP Support A Surprise

Meanwhile, amid the uncertainties of this presidential election year the unexpected support for ERP has surprised some political observers.

The perspective here is that a year ago no one, including even the internationally minded Senator Vandenberg, conceded any possibility that the U. S. would go overboard for a vast program of financial and economic aid to Europe.

At that time, the Truman administration had gambled everything on a half-billion dollar aid program for Greece and Turkey, which had been represented to Congress as America's chief, and perhaps, final contribution toward European aid.

Shortly thereafter reports leaked out that a huge over-all program of European aid was being considered. They were at once decried as out of the question, so far as Congress was concerned.

Today there is no real argument about ERP. Almost everyone in Congress and out is in agreement that something must and will be done. True, there is still much argument about amounts and conditions but the basic principle that U. S. must do something substantial, and do it promptly, is no longer questioned.

Nor is there any real opposition to the idea that some ERP purchases must be made outside the United States in countries like Canada.

The present major concern is that ERP be something more than just another relief program.

China Appeal Hits Plan

The point made here is that if the money is spent merely on goods, the net gain will not be great. What is important is that Europe emerge as a unified viable economy with the minimum of trade, currency and national barriers.

Just here a lot of American as well as European political considerations enter the picture.

For example: the recent injection by the Department of State for apparently domestic "political" reasons, of a new aid-to-China program is looked on as both disturbing and detrimental to the success of ERP.

How Will Dollar Shortage Affect Our Investm't Plans?

OTTAWA (Staff)—Big question still unresolved among Ottawa officialdom is the extent to which Canada's projected 1948 investment boom will be cut back by our U. S. dollar shortage.

Speaking in Toronto recently, Trade Minister Howe disclosed that 18,000 reporting firms and government agencies had reported building and investment intentions for 1948 of $2.7 billions.

This is 17% greater than last year. It is by all odds the greatest investment boom ever experienced in Canadian history. Morever the figures were based on a questionnaire distributed after the dollar-saving restrictions of November had been announced.

Mr. Howe also indicated that "every dollar spent on construction and machinery in Canada involves some 30 cents in U. S. exchange."

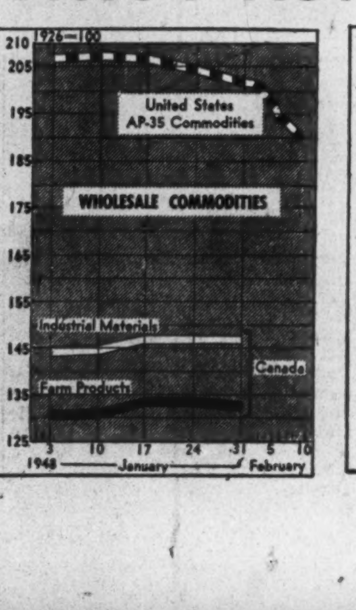
Actually the proportion of a 30% U. S. dollar content does not apply to anything like the $2.7 billions of new investment forecast for 1948.

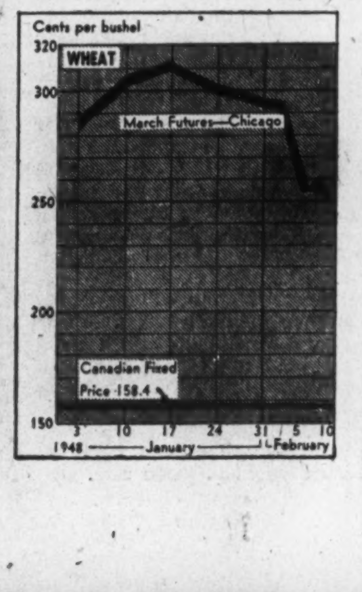
It applies more precisely to expenditure on machinery and equipment — largely needed by industrial and utility expansion. Thus the original $2.7 billions must be first reduced by about $500 millions representing housing expenditure and by a further $300 millions for governmental construction (mostly for highways, bridges, schools, etc.).

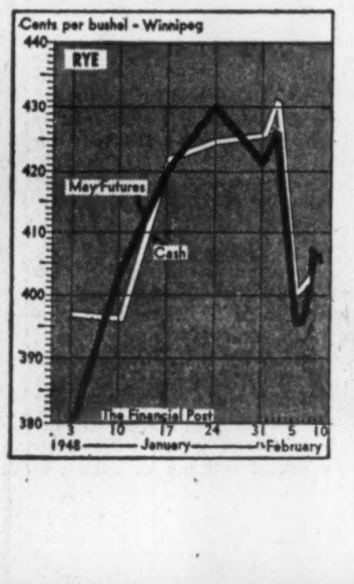
A further cutback in the over-all figure is needed to weed out

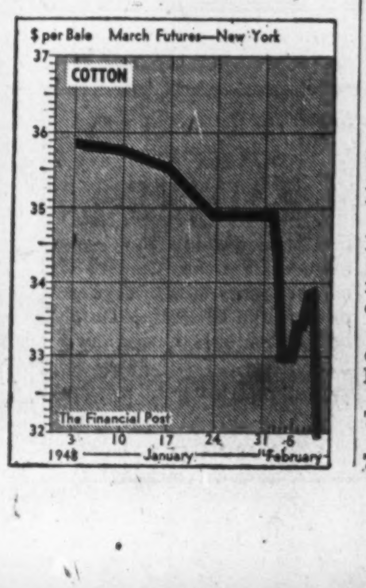
(Continued on page 2, col. 7)

Here's How U.S. Commodity Prices Broke









The Pace of Business

A marked shake-out occurred on all U. S. and Canadian stock markets this week. N. Y. market experienced sharpest break in 10 months on Tuesday. Toronto market by Tuesday night showed sharpest decline in industrials for any week since September, 1946. Golds showed relatively narrow decline.

Public savings deposits reached a new high of $3,740.4 millions on Dec. 31, 1947, an increase of more than $30 millions over a month earlier. Current loans reported to Finance Minister down $63 millions at $1,921 millions but $467 millions above year earlier.

Canadian grain prices recorded sharp declines, reflecting marked sell-off in United States. Coarse grain futures sell lower here due to export embargoes, but they were, nevertheless, caught in decline. Class No. 2 wheat showed sharp drop.

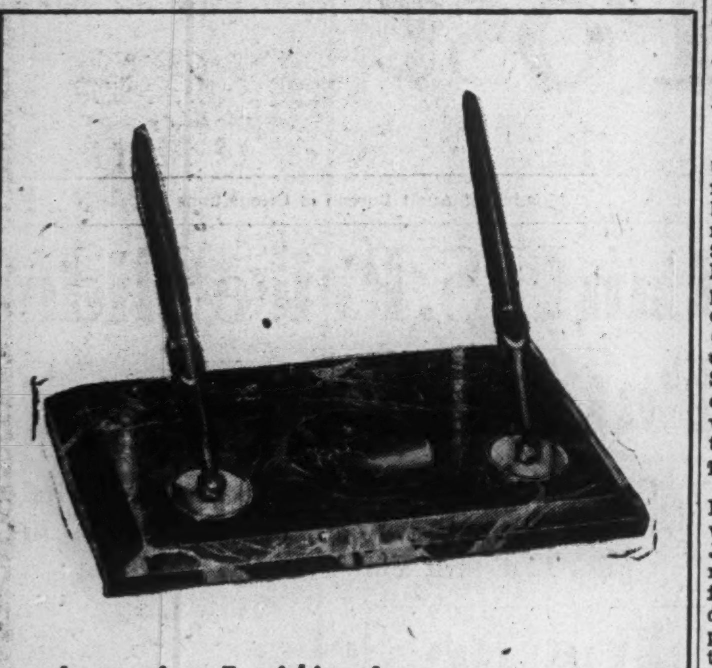
December trade balance in favor of Canada was $76.7 millions, highest monthly figure since August, 1946, and compares with $26.9 millions previous month. Month's adverse balance with U. S. reached lowest point since March, 1946; $33.9 millions vs. $79.8 millions in November.

Industrial employment showed a pronounced advance at Dec. 1, DBS reports. Total of 18,387 employers reported 2,063,174 employees (2.042,748 on Nov. 1). Weekly payroll of $78,811,318 was highest on record, up 2.1% over Nov. 1. Employment index touched new high of 199.7 on Dec. 1.

Crude petroleum output reached 730,616 bbls. in short month of November compared with 724,149 bbls. in October (619,832 bbls., November, 1946).

Personal savings dropped from 11.1% of income in 1946 to only 7.5% in 1947, according to DBS.

Car loadings increased to 73,230 cars the week ended Jan. 31 from 71,769 the previous week (69,962 in corresponding 1947 week).



Impressive Furnishings!

NEW "MAGIC WAND" PARKER "51" DESK SETS

Such prized extras add much to the trim, business-like atmosphere of your office . . . but they're more, much more, than mere ornaments! "Magic Wand" is a real "time-saver," reducing twisting and reaching, and holding the pen magnetically in any desired angle and position . . . while the new scoop-receptacle eliminates poking and "bulls-eye" aiming. A comprehensive display of styles and colours awaits your inspection at

EATON'S

$2.5 Million Bid Hinted For Quebec Pulp-Paper

MONTREAL (Staff) — Bathurst Power and Paper Co.'s $3.5 million first mortgage, series A bond issue has been sold, it is announced this week. Consisting of $800,000 3% serials and $2.7 millions of 20-year 3¾% bonds, the proceeds will be used: to (a) pay off bank loans totalling $1,874,000 (b) provide additional funds in connection with the Chicoutimi Syndicate (c) increase working capital. Serials were placed privately and the 20-year bonds maturing Jan. 1, 1968, were sold at par by Nesbitt Thomson & Co.

According to the prospectus, Bathurst entered into a syndicate with Nesbitt, Thomson & Co., and Joseph Simard under an agreement dated Sept. 12, 1947. Referred to as the "Chicoutimi Syndicate" it was formed for the purpose of trying to purchase from the Quebec Government the physical assets and rights formerly owned by Quebec Pulp & Paper Corp. (In bankruptcy.) It is stated that Bathurst has a 40% interest in the syndicate, Joseph Simard 40% and Nesbitt, Thomson & Co. 20%.

Of the proceeds from the sale of bonds $624,000 will be used to pay off a bank loan, taken out to cover a payment to the Syndicate. It is estimated that another $400,000 will be required in connection with the Syndicate. From this it is inferred that the cash assets of the Syndicate, as such, will be approximately $2.5 millions, on the basis of Bathurst's 40% interest.

Negotiations Under Way

Negotiations for purchase of Quebec Pulp & Paper are now being carried on, the prospectus states. If consummated, a company will be formed to acquire the assets and rights from the Syndicate and to produce pulp and paper products at Chicoutimi, and elsewhere. It is stated that additional payment of $400,000 will be required "should the objects of the Syndicate be fulfilled."

Last fall Premier Duplessis stated that the Quebec Government held a cheque for $1,550,000, which had been deposited by a syndicate on the purchase of Quebec Pulp & Paper in 1944. Value of Quebec Pulp & Paper timber holdings was estimated at around $2 millions. In addition there is approximately $1 million of cash and other fixed assets such as mill, buildings, etc. Part of the company's timber is freehold and part leasehold. Against the assets is a Quebec Government claim of $1.9 millions.

The Bathurst bond prospectus states that the title to the Quebec Pulp property may be partly freehold and partly leasehold. Any assets and rights which Bathurst acquires as a member of the Syndicate will not be included as part of the assets of the company covered by the trust deeds securing the bond issue, according to the prospectus.

Based on the auditors' report, the average annual earnings of the company and all its subsidiaries for the 10 years and 10 months ended Oct. 31, 1947, before depreciation and depletion and before taxes, were equivalent to 13.24 times the maximum annual interest of $125,250 on the $3.5 millions first mortgage bonds. After depreciation and depletion but before taxes, earnings were equivalent to 9.20 such maximum interests. Combined net profits for 1946 were $1,380,484 before and $1,005,937 after taxes. In the 10 months ended Oct. 31, 1947, comparable figures were $1,902,877 and $1,237,508.

Hope for Saving On Car Imports

(Continued from page 1)

from Canadian parts' manufacturers.

Employment levels may not be seriously affected.

Here, long-range planning on key materials remains the key. Most manufacturers are working on the schedule they drew up last year. They knew then— and still know—what supplies, steel and parts, they can expect. They rated their plants accordingly, so hope to be able to carry through "austerity" with present payrolls.

Parts manufacturers hope move will speed permanent expansion.

Here again, because of shortage of materials, no immediate business improvement is expected. They're all working all-out, limited only by shortages. However, they see in the plan an opportunity to win the Canadian industries' confidence and ultimately the bulk of the market.

Exports are not likely to increase just now, despite the fact the program offers manufacturers an incentive to boost selling abroad. How far can they get now with expansion in dollar area markets dominated by the U. S. plants? How soon can they get more materials and parts in Canada? These are two of the biggest questions here?

Countries which formerly bought from Canada are short on hard currency. They put quotas on Canadian cars, hence Canada may not be able to sell as many cars abroad. This will leave more for the home market.

In the base year ending Oct. 31, 1947, Canadian auto plants turned out 155,072 cars of which 116,687 were for the domestic market and 38,385 for export. In first 11 months of 1947, we imported 35,214 finished cars, valued at $47.7 millions.

In summary form the new plan is as follows:

1. New cars and trucks: Imports now put on dollar allotment basis. Each importer, to get his dollar quota, multiplies the number of units he imported in a base period times $230. The base period is the 12 months ending Oct. 31, 1947. The figure $230 is said to be 75% of the average foreign currency content of automobiles manufactured in Canada.

In effect, the Financial Post is informed that this formula is expected to result in a saving of close to $50 millions as compared to actual imports in 1947. It is said to mean that finished car imports into Canada in 1948 will be cut to something between one-fifth and one-sixth of 1947 imports.

The restrictions apply only to cars from scheduled or hard currency countries. British cars are to be allowed to enter under individual permit with respect to each shipment. While the program offers little tangible immediate advantage to importers of British cars, permits will be freely available and official policy is to encourage such importation.

The plan applies to complete passenger cars with a complete seating capacity of 10 persons or less and to trucks with manufacturer's gross vehicle weight rating of less than 16,501 lb. (approximately up to three-ton load carriers). Buses and heavy trucks are to be handled through individual application treated on merit.

2. Parts and accessories: Importers and manufacturers are allowed a dollar allotment which is said to represent roughly 75% of their imports during the base year of scores of auto components under Tariff Items 438b, c, d and e. In addition, manufacturers can qualify for a U. S. dollar export bonus. This bonus is on a two-for-one basis. It means that for every additional made-in-Canada car which is exported over and above the level of such exports in the base period, a manufacturer may earn a premium of twice the amount of the U. S. dollar content.

More specifically, the scheme is described officially as follows:

(a) Importers of service and repair parts will receive a dollar allotment amounting to 75% of the cost of their imports of similar products during the 12 months ending Oct. 31, 1947.

(b) Car and truck manufacturers will receive an allotment based on the cost of imported parts used by them. This is calculated to average $307 per vehicle. For 1948, the allotment is obtained by adding together: (1) the number of vehicles manufactured for domestic use during base period and multiplied by $230 (75% of $307) and (2) the number of vehicles produced for export during the base period multiplied by $307 As well, manufacturers may use any part of the allotment to which they are entitled as importers of complete vehicles, for the purpose of buying imported parts.

In addition to the above, each manufacturer will receive a further allotment equal to 55% of the amount by which his exports during 1948 exceed 90% if his exports during the base period. It is estimated that the 55% of additional returns from export will amount to approximately twice the cost of imported parts in the average unit produced.

Chiefly hit under the new plan are the dealers and distributors of high-priced cars or cars not manufactured in Canada. Domestic manufacturers will have the chance of making up the 25% parts cut back in either two ways: (a) by obtaining from Canadian sources the 25 % now banned; (b) by selling more cars for export and thus earning the 100% dollar dividend on the imported dollar content of those cars.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government.

Aird & Son, Ltd. (Montreal) — J. E. Dupuis, R. Malboeuf, directors.

Alberta Government — I. N. McKinnon, chairman, petroleum & natural gas conservation board.

Asbestos Corp. — A. L. Penhale, manager and secretary.

Bank of Montreal — Chas. O. Moon, assistant manager, main Toronto office.

British Columbia Hotels Association—E. V. Ely, secretary.

British Pacific Assurance Co. — C. E. McQuarrie, manager, accident and health division.

Campbell Soup Co. Ltd.—Frank L. Dunham, general superintendent, New Toronto plant; Alfred Leech, assistant general superintendent.

Canadian Aviation Insurance Managers Ltd. (Montreal)—Donald H. Poaps, Toronto, representative

Canadian Car & Foundry Co. (Montreal) — E. J. Cosford, vice-president in charge of sales.

Canadian General Electric Co.— A. M. Doyle, manager, apparatus division.

Canadian Lumbermen's Association—C. E. Smith (Blind River, Ont.), president.

Canadian National Railways — E. B. Hawken, superintendent of pensions and staff registrar; D. I. Grant, J. M. Young, assistant secretaries.

Canadian National Telegraphs — J. F. Fraser, manager, Charlottetown.

Canadian Pacific Air Lines — Gordon A. Scott, traffic representative, Vancouver.

Dominion Envelope Co. — J. C. K. Madsen, sales manager.

Dominion Government — Chas. P. Hebert, Minister to Cuba.

Drug Trading Co. — Andrew Glenny, assistant general manager; K. C. Legge, executive assistant to general manager.

Eagle-Star Insurance Co. — John Davis, member, main board.

Ford Motor Co. of Canada — W. Ross Storey, in charge, financial section, export division.

General Products Mfg. Corp.— Hunter Reid, sales manager, Langmuir Paints division.

Guaranty Trust Co. of Canada— J. R. Romeo Gauvreau (Montreal), a director.

Hamilton Real Estate Board— J. P. Mills, president.

Hydro-Electric Power Commission of Ontario — R. H. Saunders, chairman.

Industrial Life Insurance Co. (Quebec City) — Stan E. Brock, assistant managing director, and actuary.

International Harvester Co. of Canada — P. S. Clement, branch manager, Lethbridge; P. M. Murray, assistant branch manager, Edmonton; G. E. Smith, motor truck manager, Edmonton.

Kaumagraph Ltd. (Paris, Ont.)— T. Harold Miller, president; Vernon Martin, chairman, and executive vice-president; V. G. Stanton, managing director; K. E. Robinson, secretary-treasurer.

Link-Belt Ltd.—H. J. Harris, manager, Vancouver office.

Liquid Carbonic Canadian Corp. —L. S. Ferdon, assistant general manager.

London Real Estate Board— Ronald Richardson, president.

Manitoba Government — R. J. Bower, director, travel & publicity bureau; J. G. Dykes, assistant director, bureau of industry & commerce.

Manitoba Supreme Court — Mr. Justice John Evans Adamson, member, Appeal Court; Mr. Justice J. T. Beaubien, member, King's Bench.

Monarch Life Assurance Co. — S. A. Searle (Winnipeg), a director.

Niagara District Real Estate Board — Lloyd Knox (St. Catherine's) president.

Ontario Cattle Breeders' Association—W. J. Gardhouse (Weston) president; R. Brodie Ness (Portsmouth) vice-president; W. P. Watson, secretary-treasurer.

Ontario General Contractors Association—C. E. Potter (Toronto), president; H. J. Bell (Kitchener), C. Hewitt (Toronto), vice-presidents; Robert Teagle (Toronto), hon. treasurer; P. B. Jackson (Toronto), hon. secretary; Norman Fraser (Toronto), secretary-manager.

Ottawa Real Estate Board—H. D. Fripp, president.

Peller Brewing Co. (Hamilton) —Frank T. Gnup, Hamilton representative.

Provincial Paper Ltd.—Lee Trenholm, public relations manager.

Prudential Assurance Co.—J. W. Simmie, manager, British Columbia life branch.

Retail Furriers' Guild of Canada —Earle Reed (Woodstock, Ont.) president; Maurice Hagen (Toronto), Fred Hartel (London), vice-presidents; Ed LaFontaine (Guelph), secretary-treasurer.

Shirriff's Ltd. — Fernand Dubois, province of Quebec district sales manager.

Silverwood Dairies, Ltd. — J. W. Ison, manager, Hamilton branch; Harold Pillsworth, manager, Brantford branch.

P. N. Soden & Co. — Hugh W. Price, vice-president and manager, Ontario division.

Stein Structures Ltd. (Edmonton) —Edmund Stein, general manager; Geo. LeDrew, sales manager.

Studebaker Corp. of Canada (Hamilton)—C. S. Finkel, works manager.

Toledo Scale Co. of Canada — Allan E. Parmalee, vice-president and general manager.

Toronto Builders Exchange—Robert Drummond, president.

Toronto General Trusts Corp.— A. R. Courtice, assistant general manager; H. B. Morphy, secretary; G. F. McKitterick, manager, stock and bond department; C. H. Ferris, in charge of estates analysis department, Ottawa.

Trans-Canada Air Lines — W. C. Seddon, chief pilot, eastern region.

Trans Canada Credit Corp. — R. S. Middleton, branch manager, St. Clair office, Toronto.

Vancouver Board of Trade — Howard T. Mitchell, president; T. G. Norris, vice-president; J. K. Cavers, secretary; R. T. Rose, executive secretary.

War Assets Corp. — V. L. Miller, branch sales manager, B. L. Schurman, C. L. Oldford, assistant branch sales manager, Halifax.

J. D. Woods & Gordon Ltd. — T. C. Graham, a director.

How Will U. S. Price Skid Affect Canadian Economy?

(Continued from page 1)

feeding costs to farmers occasioned in the period from Oct. 23 when these grains came out from under control and soared in price, while the old U. K. contract held a lid on livestock prices.

U. K. Price is Pivot

To many, it will seem simple logic that if those increased feed prices which sent their pork chops and bacon slices way up beyond their reach have now come off, then corresponding portions of the increases on those meats equally should come off.

True, those prices aren't yet back to ceiling levels, but they aren't far off. Oats, No. 2 C.W., for example, was off 11c at mid-week from the mid-January high of 99c; oats, No. 1 feed, was down 9c from its high of 87½c; barleys were down 25c from the high of $1.60¼ for No. 1 C.W, and down 13c from $1.31⅛ for No. 1 feed. Ceilings were 65c for oats and 93c for barley.

Answer to the consumer's pertinent price query is that the prices he pays are, ipso facto, set by the price the British Government pays for Canadian hogs — and the price the farmer gets hasn't yet shown any sign of weakening, nor will it while the British demand is ahead of the surplus Canada can offer, as it is at present.

For the moment, therefore, the U. S. price breaks can have little effect for the Canadian consumer. From the broad economic viewpoint the general opinion is that the sooner the back of American inflation is broken, the sooner Canada will settle down to a freer economy and the sooner some of the shackles of control which now bind the operation of free Canadian markets, will be removed.

PRICES

(Continued from page 1)

effect except on heavy shoe leather.

In the flood of falling commodity prices metals held firm:

Tin—Raw pig tin, up 16c a lb. has boosted tinplate prices 18% above last year's. Price increase will mean little in relation to entire manufacturing costs of end products (see this page).

Platinum, of which Canada is a major producer, went up $3 an ounce on the New York market as anticipated last week (The Financial Post, Feb. 7).

Rolled Zinc went up 1c a lb.

Brass Ingots went down 1c a lb.

Copper held firm at 21½c a lb. with fractional drops of ⅛c to ¼c a lb. for bared and waterproof copper wire.

Share Exchange Offer For Montreal Cotton

It is unofficially reported that the balance of shares of Montreal Cottons Ltd., not now held by Dominion Textile Co., will be exchanged for shares of Dominion Textile Co.; probably on a share-for-share basis.

In addition to holding a large stock interest in Montreal Cottons, Dominion Textile Co. acts as selling agent for certain of the company's lines. Entire production of Montreal Cotton's rayon goods is sold to Dominion Burlington Mills Ltd., a company associated with Dominion Textiles.

BANK OF MONTREAL "MY BANK"

WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

the Valentine she'll remember

by ELIZABETH ARDEN

"On dit" . . . Elizabeth Arden's new perfume from France. A clinging fragrance to say . . . "you're my Valentine." Quarter-ounce bottle, each 6.75

Also! Eighth-ounce bottle, each 3.75

SIMPSON'S

ELIZABETH ARDEN COUNTER
STREET FLOOR

Male 'New Look' Not So New But Costlier, Fair Will Show

Ten male mannequins will put on a men's fashion show in Toronto's Palace Pier Ballroom next week. They will parade in everything from swimsuits to plastic dress clothes before 1,500 retailers, attending the second annual Men's Apparel Fair organized by the Men's Wear Retail Association.

Object of the Fair is to bring retailers and manufacturers together in a buyers' week, with sessions devoted to improving merchandising and display methods, and to educating retailers in the facts of materials and production so that they can give better technical advice to customers. There will be 76 separate window displays at the Fair, by 70 manufacturers who will send 500 representatives to book orders.

Among the oddities to be seen are a new evening dress which features a battledress jacket (no tails) and a plastic dress suit. But apart from these items, and perhaps a bit on jacket lengths here and a button shifted there, and possibly a few variations in shoulder design, men will find as they have always known—male fashions don't change perceptibly.

Just to give added interest to the proceedings, the plastics material is also being modelled in an evening gown—but not by one of the male mannequins.

Just to give the fashion layman pause for thought in the region of his pocket—the public may attend the Wednesday evening show—he will find prices considerably above last year's level from shirts (last year's $4.50 items up to $7.50) right through the whole range of apparel.

$ Shortage Affects Plans

(Continued from page 1)

expenditure on building construction—most of which is almost entirely Canadian content.

Boiling down these qualifications, it appears that not more than $250 millions or at the outside $300 millions of U. S. dollar content is involved in a capital program such as Mr. Howe announced. As well, there would be a further $150 or $200 millions of U. S. dollar content in repair and maintenance expenditure for 1948.

What hasn't yet been determined is whether the over-all dollar requirement of this huge program will be so vast as to require a wholesale slashing back in order to fit the Government's dollar position. This is the important question which will probably have to be decided prior to March 1 if there is to be any "planned" approach to capital import control by that time.

Unless or until that very big question is decided, then the Government's attempts at "project" control will remain on an ad hoc or day-to-day basis.

New 3% Bond Issue For Ontario Hydro

Offering of a new issue of $35 million 3% bonds due 1963 of the Hydro-Electric Power Commission of Ontario is expected at a price of $100 and accrued interest by a large syndicate headed by McLeod, Young, Weir & Co.

The 3% rate compares with a 2¾% rate on the last issue of Ontario Hydro bonds and reflects the changed level of bond prices. The last issue consisted of $20 millions due 1968, and offered at par last October.

Look For It Here

Feb. 14, 1948

REGULAR FEATURES

Adelphi	32	Mining	30, 31
Banking	25	Others Say	6
Construction Tr.	12	Post Scripts	6
Editorials	6	Prov. Roundup	7
Grain	26	Quotations	28
Insurance	24	The Question	11
Investments	4, 5	What's New	13
Labor Roundup	15	You Asked Us	21
Market C'ment	29		

INVESTMENTS

Bell Telephone	33	Hudson's Bay	30
Belding-Cort.	39	Imperial Oil	4
Brockville Trust	45	Inter. Harvester	3
Blue Ribbon	21	Indust. Mtge.	39
Biltmore Hats	10	Kerr St'mships	37
Chart. Trust	39	McColl-Front.	5
Continental Life	45	Mutual Life	45
Can. Inv. Fd.	39, 47	Monarch Mtge.	21
Can. Food Prod.	12	Northern Life	39
Can. Pac. Rlwy.	5	North. Trans.	22
Colonial Fin.	4	Orange Crush	47
Cockshutt Plow	31	Okanagan V.	4, 22
D'nell & Mudge	23	Premier Trust	5
Dominion Foils	14	Peller Brewing	31
Eastern Trust	15	Quebec Svgs. B.	37
Elk Creek Wks.	32	Royal Trust	22
For'n Pwr. Secs.	45	Sun Life	39
Harding Carpets	13	Union Gas	25
Hyd.-Elec. Ont.	19	Winnipeg Elec.	9

MINES AND OILS

Albert Mines	13	Lingside Gold	14
Band-Ore	34	Macdonald M.	14
Beau Rand	42	New Rouyn	40
Bear Y'knife	30	Norpick Gold	30
Bevcourt Gold	30	Norbenite Mal.	31
Buffadison Ore	31	Orlac R. L.	31, 39
Cons. Homest'd	13	Pacific Petrol.	37
Centremaque	13	Paramaque M.	37
Central Porc.	30	Pickle Crow	21
Coastal Oils	31	Queenston Gold	31
Donalda Mines	35	Que.-Labrador	31
Dickenson R. L.	15	Roxana Oils	15
Don Cameron	31	Richmac Gold	30
East Amphi	40	Sigma Mines	30
Goldhawk	37, 41	Senator Rouyn	31
Giant Y'knife	30	Trident Porc.	16
Highland Bell	31	Vinray Malartic	31
Inco Mines	30	West Can. H. E.	33
Kelwren Gold	41	Y'knife Gold	30
Lingman L.	31, 38	Metachewan	37
Lucky Girl	30		

REAL ESTATE

HOUSES WANTED
FOR SALE

We have a number of excellent enquiries for better type houses, particularly in the Avenue Road Hill, Forest Hill, north and west sections.

If you wish to sell we will advise you without obligation.

Residential Specialists for 40 years

H. L. ROGERS

10 ADELAIDE STREET EAST EL. 1312

Member Toronto Real Estate Board

TWO EXCELLENT FARMS
Ideal for Gentleman's Estate

Situated on Highway No. 2, one third of a mile apart, 4 miles west of Port Hope.

HOME FARM—165 acres of good rolling clay loam, 8 acres of fall wheat and 30 acres of permanent pasture and hay. This farm has always been considered one of the best farms in Hope Township. House—red brick 30′ by 40′ with brick addition, in excellent repair and one of the best houses in the district, hydro, bathroom and running water, hot water heating, fireplace. A beautiful house for a country estate. Barn—steel roof, 200′ by 40′, steel stanchions and running water, accommodation for 40 head of cattle and 5 horses, henhouses for 700 hens, permanent brooder house, 2 garages, one outside and one under house, tractor shed, large implement shed 30′ by 45′. Sale price, $20,000.

EAST FARM—70 acres of good land—4 acres of wheat and some hay. House—red brick, hydro, in good condition and suitable for a farm house, garage. Barn—steel roof and steel stanchions, accommodation for 20 head and 4 horses, small henhouse. Sale price, $6,000.

There is a bush on each place and 15 acres of reforestation. There is a full line of good implements including tractor, combine, milking machine and milk cooler. The farms can be bought with or without the machinery. Possession could be arranged to be given at any time. The ill health of the owner is the reason for selling.

BOX 122, THE FINANCIAL POST, TORONTO

J. A. Willoughby & Sons
INDUSTRIAL & CITY PROPERTY
SPECIALISTS IN BUYING AND SELLING
ESTABLISHED OVER 40 YEARS
Downtown 156 Yonge St. TORONTO Uptown 1 Heath St. W.

FACTORY BUILDINGS
AND
INDUSTRIAL SITES
AVAILABLE IMMEDIATELY

Excellent transportation. C.N.R., C.P.R. and 12 transport companies. Port of call for Great Lakes steamships.

For Further Details — Write or Phone 32

INDUSTRIAL COMMISSION
OWEN SOUND, ONTARIO

CONSULT A. E. LePage REALTOR

Commercial and Industrial buildings and acreage—city and town homes—apartments—farms—summer properties—country estates—also Vancouver, Victoria and British Columbia properties.

TORONTO OFFICES
Head Office — 320 Bay Street — AD. 5661
Kingsway Office—2852 Bloor W.—LY. 7598
North End Office—1045 Avenue Rd. MA. 4451

For nights and holidays see salesmen's names and telephone numbers in the telephone directory under A. E. LePAGE.

BUSINESS PROPERTIES

For prompt action (selling or leasing) list your industrial and commercial properties with us.

Chambers & Meredith Ltd.
24 King St. W., TORONTO
Elgin 0216
Member Toronto Real Estate Board

W. H. Bosley & Co.
Toronto's Leading Real Estate Brokers
28 ADELAIDE WEST
WA. 1031

Send for this new book
SURVEY OF MINES

Investors: get this new annual edition on Canada's mines. Many maps. 8-year price range of stocks. Data on individual companies. $2.

THE FINANCIAL POST
481 University Avenue
TORONTO 2

25 Common Stocks Yield Up 72%

Prices Down as Market Outlook Remains Uncertain

By JAMES H. JOYCE

Twenty-five leading Canadian common stocks now yield 72% more than at their 1946 highs (made about May 30, 1946) and 14% more than five months ago according to an analysis made by The Financial Post. Their average yield is now over 6%. Further, these 25 stocks are selling on a times-earnings ratio 25% more favorable than at their high and over 6% better ratio than five months ago.

But, despite the higher returns and more conservative statistical position, investors are not rushing to buy stocks. The market remains in a nervous state as many investors hesitate to invest pending clarification of the future business and international outlook.

In the accompanying table, the 1946 high and the current price of the common stocks of 25 leading Canadian companies are related to their per share earnings for the latest published fiscal year and to their dividend rates.

If an investor bought one share of each company currently it would cost him $1,035.75. On this investment he would average a 6.07% return.

If the investor had made a comparable investment at the 1946 high price he would have invested $1,335.25. On this investment he would have averaged a 3.53% return.

The current return on the smaller investment is 72% higher than these 25 stocks yielded at their 1946 high price on the basis of the indicated dividend rate.

Five months ago, a share in each of these companies would have cost $1,074.50 and would have given an average return of 5.31%.

These stocks are currently in a 25.5% stronger position in relation to their total earnings, including any refundable portion of the excess profit taxes for the last fiscal year. At their 1946 highs, an investor would be buying them at an average of 15.2 times-earnings. Five months ago they were selling 12.1 times earnings on the average. Currently they are selling about 11.3 times earnings on the average.

But even with stocks in a stronger statistical position than nearly two years ago, many investors prefer to maintain a strong liquid position. Many take the attitude they would rather pay higher prices at a later date and see a little more stability ahead than to buy at present — an attitude which does not give the stock markets any support.

Chief bearish factor both in Canada and in the United States would still appear to come from the uncertainty over the international situation. The seriousness of the dollar crisis abroad and its possible effect on Canadian and United States export trade and so on corporate earnings is in the minds of all investors.

Two other big factors effecting market action are:

(1) Uncertainty as to the current high commodity price level with the threat of substantial inventory losses should prices reverse suddenly.

(2) The re-adjustment of money rates to higher levels with the drop in bond prices. In Canada this followed the Bank of Canada's sudden withdrawal of bids on Dominions last month.

Currently, uncertainty as to the future of commodity prices is perhaps the principal market factor. There was a wave of selling in U. S. stock markets at the end of last week following a sharp drop in commodity futures markets. Canadian markets followed the same price trend although volume did not show the same increase. The break in commodity prices was attributed to the likelihood of a substantial improvement in the world food situation this year and to the fact that supply pipelines in the U. S. economy have been rapidly filling up so that buying is now more adjusted to actual current needs.

On the bullish side the investors point out:

(1) Prices of stocks already have discounted a sharp drop in profits which has not been realized. Instead the 1947 profit of many companies is expected to be higher than in 1946. In any case due to the lower times-earnings ratio on which stocks are selling they should no longer be too vulnerable to lower earnings statements, it is argued.

(2) No business recession has been so widely advertised in advance. Consequently there has been ample time for investors and businessmen to discount it since May, 1946.

(3) If the Marshall Plan in any recognizable form passes the U. S. Congress it will be an important factor in holding up commodity prices and demand, it is argued.

(4) There is a large unsatisfied apparent demand for capital goods throughout the world provided agreement can be reached on the means of payment.

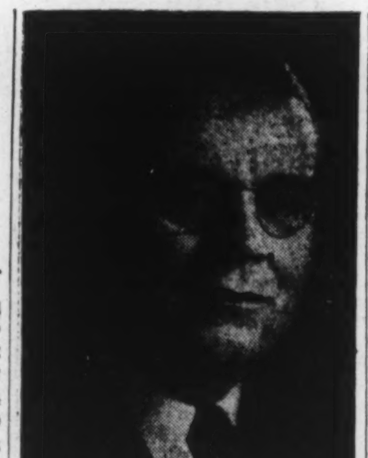
(5) There is a large amount of money available for investment once the outlook is clarified.

On one point most market experts agree. Any break in the stock market should not be anywhere near as sharp as any break in the commodity prices. Stock prices are about the only prices on which there has been no inflation in the past year, it is pointed out. Further, brokers feel stocks have been accumulated in stronger hands during the course of the last year or so and so do not expect a large volume of selling on the downside. Should of course the decline be too precipitous there might be a heavy volume of panic selling, it is argued. On the other hand if the market gave signs of going upward and the business outlook clarified there would be a good volume of buying which might speed its movement, brokers state.

A Comparison of 25 Canadian Common Stocks

	Per Share Earn.* $	Rate Paid 1946 $	At 1946 High — Price $	At 1946 High — Times Earn. †	At 1946 High — Yield %	Rate Paid 1947 $	Feb. 6, 1948 — Price $	Feb. 6, 1948 — Times Earn.	Feb. 6, 1948 — Yield
Aluminium	15.81	9.00	230	14.5	3.91	‡10.00	206	13.0	4.85
Bell Telephone	8.80	8.00	216	23.8	3.70	8.00	166	18.9	4.82
Brazilian	3.28	2.00	30½	9.13	6.56	2.00	17¾	5.4	11.27
B. A. Oil	1.20	1.00	28½	23.7	3.51	1.00	20¼	16.9	4.94
Building Products	2.68	1.00	35	13.0	2.86	§1.40	28⅝	10.7	4.89
Can. Steamships	d0.56	1.00	23	...	4.35	1.00	12	...	8.33
Can. Breweries	3.08	1.18¾	29½	12.5	4.02	§2.00	22	7.1	9.09
Can. Locomotive	7.04	1.00	46	6.5	2.17	2.00	27	3.8	7.41
Can. Pacific Railway	1.54	1.25	24½	15.9	5.10	1.25	14¼	9.2	8.77
Consol. Paper	1.90	0.50	23½	12.4	2.13	1.50	16¾	8.8	8.96
Consol. Smelters	7.12	3.25	103	14.5	3.16	‡8.00	96⅞	13.6	8.26
Dist.-Seagram	4.81	.60	30½	11.5	1.97	0.60	17⅝	3.7	3.40
Dominion Bridge	1.86	1.20	45	24.2	2.67	1.20	28¾	15.4	4.17
Fanny Farmer	4.53	2.00	66	14.6	3.03	1.50	44	9.7	3.41
International Nickel	1.90	1.60	47	24.7	3.40	2.00	32	16.8	6.25
Labatt	2.16	1.00	29¼	16.9	3.42	1.25	24½	11.3	5.10
Loblaw, B.	1.47	1.25	34	23.1	3.68	1.25	27⅜	18.6	4.57
McColl-Frontenac	3.18	1.00	26½	8.3	3.77	1.00	*10½	*6.6	*4.76
Montreal Locomotive	4.19	.80	22	5.3	3.64	0.80	14¾	3.5	5.42
Moore Corp.	4.59	2.88½	81	17.6	3.56	§3.25	67	14.6	4.85
Nat. Steel Car	1.50	1.37½	30¼	14.7	4.55	1.50	21	14.0	7.14
Page Hersey	1.52	1.25	35	23.0	3.57	‡1.60	31½	20.7	5.08
Powell River	2.56	1.60	36	14.1	4.44	2.75	39	15.2	7.05
Walker Gooderham	6.54	1.20	39¾	7.5	3.02	‡1.50	26⅛	4.0	5.74
George Weston	2.57	.80	36¾	14.3	2.18	0.80	24⅛	9.4	3.32

*For latest fiscal year reported.
‡Includes extra payable January, 1948.
§Indicated annual rate.
†For 1946.
*New stock after two-for-one split.



C. E. SMITH

general manager of the J. J. McFadden Lumber Co., Blind River, Ont., has been elected president of the Canadian Lumbermen's Association.

It's Your Money

BY BRUCE MACKINNON
Maclean-Hunter Editorial Research

It may seem unkind, in the face of a governmental surplus, to point out that the surplus has been caused by soaring revenues and not by the curtailment of Government spending—although this was heralded as a year of economy.

Just as a check, here is the record for December, 1946 and December, 1947, showing the percentage increases in ordinary spending:

ORDINARY EXPENDITURES

	Dec. '47	Dec. '46	% Inc.
	— $000 —		
Agriculture	1,396	1,090	28.7
Subsids. to Provs.	17,324	9,613	80.1
Finance Dept.	995	985	1.2
Labor	3,055	2,163	41.4
Mines & Resources	1,929	1,514	27.4
Family Allowncs.	22,056	20,620	7.0
Nat. Revenue	3,849	2,494	54.3
Post Office	6,795	6,500	4.5
Public Works	3,622	2,811	28.9
Transport	2,126	1,462	45.4
Other Depts.	5,902	4,240	39.2

Two items of ordinary expenditure show a drop. The interest payments on the national debt were down $2.2 millions on the month as a result of the reduction in debt which has come out of the high current revenues. Veterans' Affairs also showed a drop of nearly $1 million.

Livestock Co-op Marketings Down Percentage Is Up

From Our Own Correspondent

REGINA — Saskatchewan Co-operative Livestock Producers Ltd. handled 383,578 head during the year ended July 31, 1947, a drop of 55,791 from the preceding 12 months. Operating surplus of $9,424 was shown, after providing depreciation on fixed assets and making provisions for doubtful accounts.

This reduction, members state, pinpoints reduced production of cattle and hogs in the province since a greater percentage of total marketings was handled through the pool.

Provincial deliveries of cattle dropped 12.02% while the percentage handled through the livestock pool dropped only 3.73%.

Provincial reduction in hog marketings was 36.09%; the pool reduction 25.71%; sheep and lambs showed a provincial drop of 13.61%, while pool handlings were up 3.39%.

Most notable reduction was shown in marketing of hogs, down by 50,318 head. Cattle were down 77,196 head, sheep 1,723.

JASON MINES has received payment for Feb. 1 installment of 200,000 shares at 15 cents. Issued capital is 4,399,005 shares.

INTERNATIONAL HARVESTER CO. new motor truck plant of its Canadian subsidiary at Chatham, Ont., is nearing completion and a program of enlarging and improving its farm implement plant at Hamilton is in process, the parent company's annual report states. The Canadian subsidiary has also undertaken modernization of its sales branches. The company reports an investment of $16,730,000 in its Canadian subsidiary and an equity of $32,285,000 in it. The Canadian subsidiary's 1947 sales totalled $53,039,000. The company's equity in the Canadian subsidiary's 1947 net income was $4,743,000, of which $2,985,075 cash dividends was paid to the parent company.

50,000 on Island Ask Vote On Plan for 10th Province

Protest Decision of National Convention — Some Would Bargain Further, Rather Than Accepting Ottawa's Present Terms

(Special Correspondence)

ST. JOHN'S — Newfoundlanders are still determined to vote on Confederation with Canada, despite refusal of the National Convention to recommend this as one of the questions to be placed on the forthcoming ballot.

Thousands of telegrams, and several petitions, containing about 50,000 names in all, demanding inclusion of this proposal, have been forwarded to London from this country. This number of signatures represents about one third the total electorate; but it is stressed that not all those signing the petitions, would necessarily vote in favor of Confederation.

In one of the most amazing outbursts of public opinion in this country's political history, these messages of hot protest over the Convention's action began to pour into St. John's two weeks ago, with the peak being reached last week end. All the messages demanded that the British Government exercise its right to go against the Convention's recommendations and put Confederation on the ballot paper. Experienced political observers here now agree that the demand is irresistible, and are certain that union with Canada will be placed before the people at the referendum.

Have Tangible Offer

But this by no means clears the air. By this week two major political campaigns are in full swing, one for and the other against federal union. These promise to go on until the last vote is recorded. However, the Confederationists may have the advantage in that they have something tangible to go on, in the offer made by the Canadian Government last year. In addition, they are more or less a unit under one leader, JJ. R. Smallwood.

The "responsible government" group, which demands return to dominion status, must work with intangibles, and the debacle of 1933 is still fresh in the public mind. Champions of dominion status, further, are divided into two groups, one led by fiery Major Peter Cashin, Finance Minister in past governments, and the other made up largely of local businessmen; and the two are said to be far from agreement.

On the other hand, some residents question the terms offered by Canada for Confederation; and contend that if the latter suggestion appears on the ballot paper, it should only be as an abstract possibility, and should not be conditional on Ottawa's terms. If a majority were then recorded in favor of union, it is argued, negotiations for new and presumably more favorable terms could then be opened.

Suggest Second Vote

Even if the Commission of Government could not improve the present proposed arrangements, the final result of the negotiations could be placed before the people in a sort of secondary referendum, with the issues being confederation with Canada on negotiated arrangements or a retention of Commission of Government. (The vote at the first referendum having presumably eliminated a return to dominion status.)

In this way, it is said, the country would be certain that it would be going into Confederation with the best offer obtainable, and would not be asked to make an irrevocable decision on the present un-negotiated terms.

Still another section of Newfoundland should believes that this country's strategic position gives it an immense bargaining lever with which to get favorable trade concessions with Canada, the United States and Great Britain. This group argues that Newfoundland should first return to responsible government and try to take advantage of this strategic position, before even considering Confederation.

The Golden Glade — Franz Johnston, A.R.C.A.

MAKING A PRESENTATION?

What could be more appropriate than a beautiful painting that will bring everlasting pleasure? Yes, a beautiful painting will make that presentation a memorable one. Let us help you in selecting the perfect gift for the special occasion.

Please come in or write today for details.

LAING GALLERIES

"Pictures for Lasting Pleasure"

60 BLOOR ST. EAST, TORONTO 5, ONT.

A BARRINGHAM PRODUCT

"IRON WEAR" PLUS Glamourous Beauty

IN FURNITURE OF

Plastahide

THE MODERN PLASTIC SHEETING

Furniture manufacturers and upholsterers are finding new sales appeal in Plastahide upholstering material. Supplied in 20 gauge — in three different patterns — and a wide variety of modern colors. Plastahide is impervious to dirt, water, grease, temperatures — will not scuff, crack, fade or stain. Its softness and pliability means working ease — its ruggedness means unusual wearing qualities.

Plastahide is made in many weights and finishes from paper-thin film to thick, luxurious leather-like materials. You'll find it used in smart luggage, bandbags, shoes, rainwear, restaurant and theatre seats, auto upholstery. A request on your letterhead will bring sample swatches promptly.

Made in Canada by

BARRINGHAM RUBBER & PLASTICS LIMITED

OAKVILLE, ONTARIO, CANADA

The Signature of Industrialized Rubber

GUTTA PERCHA AND RUBBER, LIMITED

The Largest All-Canadian Rubber Company

BELTING • HOSE • PACKINGS • MOULDED RUBBER PRODUCTS

ALSO FOOTWEAR TIRES AND AUTOMOTIVE ACCESSORIES

INDEPENDENT TYPEWRITER SURVEY REVEALS:

Why more buyers prefer Underwood than all other makes combined...

Here are the reasons:

1. DURABILITY — They know Underwood's inbuilt stamina has proved superior in *all* tests—in business offices, commercial schools, speed and endurance contests;

2. EXPERIENCE — They know Underwood's know-how—acquired in making and selling more than 6,000,000 typewriters the world over;

3. REPUTATION — They know Underwood has pioneered *all* major typewriting improvements—and now leads post-war typewriter engineering with Rhythm-Touch Typing;

4. OPERATION — They know Underwood offers more operating features that mean greater flexibility, greater accuracy, greater speed—with *all* important controls at the finger-tips;

5. SERVICE — They know Underwood factory-trained service is available anywhere, anytime—with company-operated branches in *all* principal Canadian cities.

Underwood Typewriters

Outspeed—Outwear—Outsell them all!

Underwood Limited
Joseph L. Seitz, President
Head Office: 135 Victoria St., Toronto
Branches in all Canadian Cities

UNDERWOOD TYPEWRITERS — CANADA'S SEVEN-OUT-OF-TEN CHOICE!

EXECUTIVE SECRETARY WANTED

An Executive Secretary for the newly formed Canadian Arthritis and Rheumatism Society with headquarters in Ottawa. The position requires demonstrated experience in organization work on a national scale, proven executive ability, a keen understanding of public relations and preferably some experience in a related field of health work. The Society is prepared to pay a salary commensurate with qualifications.

Written applications will be received up to March 20th, stating age, education, experience, references, salary required, and any other particulars which will assist in determining the applicant's qualifications for the position.

Apply to the Canadian Arthritis and Rheumatism Society, Post Office Box 27, Ottawa.

$10,000 AVAILABLE

You must be a going concern, able to stand investigation. Experienced business man has $10,000.00 to invest for an interest and active participation; or would join with a group similarly inclined. References of the first class will be furnished, and likewise required.

Box 124, The Financial Post, Toronto.

EXECUTIVE

recently resigned as Secretary-Treasurer of medium sized Textile Mill desires position.

Experienced in General and Cost Accounting, Finance, Internal control, Office Management and Sales.

Resident of Montreal

Box 126, The Financial Post, Toronto 2, Ont.

GEAR CUTTING

The Special Products Division of S. F. Bowser Company, Limited, of Hamilton, Ontario, has available gear cutting capacity. Gleason work, bevels ⅜ to 6 inch o.d. Barber Colman work, spirals and spurs ⅜ to 6 inch o.d. Fellowes work, spurs and change gears ⅜ to 7 inch o.d.

HIGHLY QUALIFIED SWEDISH ENGINEER (b of Sc)

applies for a position in Canadian industry or trade. The applicant is graduated from the Royal Institute of Technology of Stockholm, Sweden, as a mechanical engineer, is 31 years of age and unmarried. He has specialized in industrial organization, management and economy and also possesses valuable experiences as sales engineer from domestic as well as export and import trade.
Please address your answer with information necessary to:

Hugo Holsti, Saltsjobaden 2, Sweden.

OPPORTUNITY KNOCKS

For an experienced, successful, aggressive and ambitious life insurance salesman to take over the British Columbia Mainland. Agency well established with substantial volume in force. Must be a leader. Able to recruit and train men. Excellent proposition for right man. Apply giving full particulars to

BOX 119, THE FINANCIAL POST
481 University Avenue, Toronto 2, Ontario
Strictly Confidential.

TEA BAG PACKING MACHINES
— For Sale —

Tea Bag Packing Machines in first class condition. Each machine has a capacity of 120 stitched bags per minute with weight of contents adjustable from 50 to 75 grains. Bags may be either gauze or cellulose filter paper. Motive power— 3 h.p. alternating motor—550 volts—25 or 60 cycle with variable speed control and electrically operated safety clutch. While primarily designed for the packing of tea bags, these machines are suitable for the packing of any dry, light weight material. For information call or write.

SALADA TEA COMPANY OF CANADA
LIMITED
Toronto — Montreal

For
SUCCESSFUL MEN

★ To men with vision; with ability to plan for the future; who build up business and create wealth for Canada, The Financial Post provides an unsurpassed news service.

★ If you have need for facts and up-to-date information on business, investments or public affairs, you'll find a year-round subscription to The Post invaluable.

★ To get your copies of The Post regularly, simply fill in coupon below and mail.

THE FINANCIAL POST,
481 University Avenue, Toronto 2, Ont.
Please send THE FINANCIAL POST. Enclosed find—
☐ $5.00 for one year. ☐ $10.00 for two years.

Company ....
Attention of ....
Street address ....
City & province ....
Nature of business ....

RATES: In Canada and British countries (except Australia), $5; Australia, U. S. A., Mexico, Central & South America, France, Spain, $6; other countries, $7.

A-19

INVESTMENTS THIS WEEK

Shareholders Should Ask Firms For Interim Reports

Does the company in which your money is invested send you interim information? Do you know how it is doing between annual reports, or do you have to rely on unofficial reports to assess the values of your investment? This is an important question for shareholders. It is one to which the answer is "no" in too many cases.

The advisability of Canadian executives' issuing interim reports to their bosses—the shareholders—is stressed by two recent annual reports. One is that of Orange Crush Ltd., issued this week. The other is that of Canadian Car & Foundry Ltd., issued in January.

Shareholders' first official intimation that all was not well with Orange Crush came in the comment in the Argus Corp. annual report—and this was directed to Argus shareholders, and not to all Orange Crush shareholders. The annual report for the year ending Oct. 29, 1947 shows a consolidated net profit of $132,157, which includes the profit of the U. S. subsidiaries, as against $258,826 for Canadian operations alone for the previous fiscal year.

Shareholders of Canadian Car & Foundry received their first official intimation in the annual report, that the net profit would be over 40% lower in the year ending Sept. 30, 1947 than in the previous year. The drop was attributed to "the virtual cessation of activity in the car shops for a protracted period during the fiscal year, brought about by shortages of certain materials . . ." Shareholders were not told this during the year. An optimistic unsigned statement, "A Current Report on Activities," dated Mar. 15, 1947, running to nearly three pages and sent in with the company "Journal," did not bring this point out. It stated: "While operations have been affected by the critical materials situation, large orders are on hand and in immediate prospect, which will ensure full occupation of the shop during the current year."

These are only two examples. An investor in common shares is a partner in the business represented by the shares, and so entitled to fullest information at all times. Enlightened managements should realize that, especially in these days of rapidly-changing conditions, there is definite need for information more often than once a year. They should be more than willing to issue quarterly statements, without compulsion.

One objection, often raised, is that interim statements are subject to year end adjustments and that some businesses are seasonal, giving shareholders a distorted picture. Reports are published quarterly in the United States, and U. S. companies are not criticized for misleading shareholders.

Where companies do not issue interim reports, at the annual meeting this year shareholders concerned with this question might well ask executives that they be issued. If not attending the annual meeting, shareholders might write their company executives. Where the demand becomes vocal, there is more likelihood of some actions being taken in response to it.

• • •

Annual Reports

Where companies are engaged in large programs of expansion, plant modernization, etc., executives should give shareholders full particulars on the cost and the work involved and also the ultimate benefit which will accrue from the expenditure. This will put them in a better position to judge the effect on the value of their interest in the company. Progress up to completion should be reported in succeeding annual reports, to enable shareholders to follow the program through.

• • •

Bell Telephone Co. of Canada has expanded its annual report for 1947 by including more charts and also by giving "the report in brief" in a page and a half of highlights in the front. This is more likely to tempt the shareholder who just glances at his report, at least to look at the most important facts. The remarks cover most phases of the business. The balance sheet and income account headings have explanations under them and the accounts give the comparative position for two years. The company recognizes the wider interest in its report to shareholders by saying it "is presented also for the information of the employees, who have invested their careers in the business, and for the information of the public, who have entrusted to Bell Telephone Co. of Canada the provision of an essential service."

• • •

Harding Carpets Ltd. has continued the improvement in its annual report, noticed last year, by making the appearance more attractive through use of color and and inclusion of photographs. The latest report contains a brief history of the company. In discussing inventories, the dollar amount of the inventory reserve is told to shareholders, and comments are made on the prices of raw materials and the outlook. This is helpful to shareholders.

• • •

Will Pay $25 a Share For Federal Grain "B"

Peter D. Curry & Co., Winnipeg, Man., will pay $25 a share for any and all Class B shares of Federal Grain Ltd. offered to it, Mr. Curry advises The Financial Post. This would indicate that the minority group of shareholders, which has been trying to get the company for more than a year, is still actively interested in this situation. This group still plans on going ahead with a suit against Federal Grain, The Post understands. Mr. Curry's price is above the $15 a share price at which the 20,229 Class B shares under dispute between the minority group and the company were sold to Royal Securities Corp., and Wood, Gundy & Co.

• • •

Beatty Bros. Ltd. Proposes To Lower Quorum

Three items for consideration of the shareholders of Beatty Bros. Ltd., Fergus, Ont. at their special general meeting and annual meeting next week are:

1. An increase in the number of directors from 10 to 11, "of whom three shall constitute a quorum."

2. A provision whereby "two or more shareholders, personally present and holding or representing by proxy at least 51% of the issued shares for the time being enjoying voting rights at such meetings, shall constitute a quorum at any meeting of shareholders or class of shareholders."

3. An appropriation of about $225,000 to the pension fund, so that pensions paid employees for respective service rendered before the inception of the retirement annuity plan may be increased by about 50%.

Whether less than half the directors should constitute a quorum and whether the presence of only two shareholders, even if representing over 51% of the issued stock, at a meeting should constitute a quorum may be open to question. For the protection of minority interests, it might be advisable to insist on at least half the directors being present at a directors' meeting and for a full report of proceedings at any shareholders' meeting to be forwarded all shareholders after a meeting where only a few are present.

Further information with regard to the pension fund, showing in particular how many employees would benefit, and the present amount of the pension, would have been helpful to shareholders in making up their minds on this point.

• • •

Expect New 4% Bond Issue For United Grain Growers

A new issue of $1,750,000 bonds of United Grain Growers Ltd., is expected soon, The Financial Post understands. Coupon rate is likely to be 4%. Proceeds are thought to be used in connection with the recent purchase of 94 country elevators in Saskatchewan and 16 in Alberta from Reliance Grain Co. (The Financial Post, Feb. 7).

United Grain Growers had outstanding $1.4 million 3% Series A serial bonds due July 2, 1950-56 and $600,000 Series B 3% Serial bonds due July 2, 1950-55, at Oct. 16, 1947.

• • •

Wood, Gundy & Co. Issues 1948 "Financial Statistics"

The Jan. 1948 edition of "Canadian Government & Municipal Financial Statistics" has been published by Wood Gundy & Co. It gives:

1. Financial statements of the Dominion of Canada, the nine provinces and 14 cities including 10-year comparisons. The cities are Calgary, Edmonton, Halifax, Hamilton, Ottawa, Quebec, Regina, Saint John, Saskatoon, Toronto, Vancouver, Victoria, Winnipeg, Montreal.

2. A table providing comparison of debt and revenue and expenditure of the Dominion and the provinces.

3. A table showing the comparative position of the cities as regards debt, and tax collection.

According to the last table, Ottawa city has the lowest per capita net funded and floating debt—($43.69) and Victoria the highest ($222.40). Only three cities—Calgary, Saint John and Toronto—are shown as not having collected over 100% of their current levy for the 1946 fiscal year.

• • •

Investment Dealers Association of Canada's head office has been moved to 11 Jordan St., Toronto, Ont. from its former location at 24 King St. W.

• • •

Say Narrow Trading Range Is Only 4th Time in 50 Years

Range of the movement of the Dow-Jones average of the closing prices of 30 industrial stocks for the 16 months from September 1946 through December 1947 has been unusually narrow. The low was 163.1 and the high 186.9, a spread of only 14.6%. Such a range, over more than a year, has occurred only four times in the last 50 years in the Dow-Jones industrial average, the Cleveland Trust Co. Business Bulletin notes.

These four times are:

(1) The 20 months from October 1901 through May 1903, when the range was 14.8%. This period was immediately preceded by a three months drop which came after the climax of a bull market; and it was followed by bear market culminating in November of 1903. Conditions were moderately prosperous from early 1901 to the middle of 1903 but then declined, the Bulletin notes.

(2) The 13 months from August 1910 through August of 1911, the range being 14.5%. This period was preceded by a bear market and followed by a bull market. Business declined from prosperity in 1910 to a mild depression in 1911. Recovery started late in 1911 and carried through 1912.

(3) The 15 months from March 1943 through May 1944 when the average movement was within a range of 13.4%. This was really a stopping place in a long rise from early 1942 to the middle of 1946. Business activity reached its all time peak late in 1943 and continued at a very high level until the summer of 1945 when the sharp postwar decline began, the Bulletin notes.

(4) The current period. It was preceded by a pronounced drop from the previous bull market peak. Business activity meantime rose sharply during 1946 and then advanced to a new peacetime high in 1947.

Very little can be drawn in the way of a conclusion from the diverse patterns of these four periods.

Changes in Income Tax Summarized, Explained

Revised and up-to-date, the 1948 edition of "How To Prepare Your Income Tax" summarizes the more important changes in the income tax law and also includes many directives issued by the income tax department to help inform the public.

The section dealing with farmers' income tax has been enlarged and New T1 Farmers' forms are reproduced. Samples of completed T1 Special and T1 General forms are included. A free supplement containing a list of dividends paid by Canadian companies in 1947 with information on any further changes made in the law affecting 1947 income and new forms that may be issued is available to all purchasers of the book who mail in a card enclosed with each copy.

Author is Lancelot J. Smith, partner of Gunn, Roberts & Co., chartered accountants, Toronto, and the publishers Wm. Collins Sons & Co. Canada. Price $1. The book is specially designed for individuals, partnerships and unincorporated businesses.

Classified
ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

POSITIONS AVAILABLE

CHARTERED ACCOUNTANT REQUIRED

FOR HEAD OFFICE of large industrial organization in city of 38,000 in Ontario. Must have industrial and commercial experience. Necessary good knowledge of income taxation structures. Position offers excellent opportunities to man of good training, personality and proven ability. Box 127, The Financial Post, Toronto 2, Ont.

POSITIONS WANTED

BUSINESS EXECUTIVE AVAILABLE

QUALIFIED Chartered Secretary and Accountant, English University Graduate in Commerce, specialist Business Administration. Age 41, marrred, bilingual, 6 years war service Royal Air Force, 15 years company executive experience, expert finance, international trade, conversant current Canadian and world economic conditions, widely travelled, good appearance, sound health. Presently with firm of Chartered Accountants. Box 125, The Financial Post, Toronto.

COST ACCOUNTANT OFFICE MANAGER AVAILABLE MARCH 1ST

FINANCE—5 years' experience in manufacturing company includes, credit, collections, banking in all phases. Accounting—15 years' experience, fully qualified, includes internal budget controls, branch accounts, foreign purchases, cost accounting, etc. Office Management—4 years' experience, staff over 25, work routing. Stationery supplies, etc. General—36 years, married, RCAF veteran, good personality, plenty of drive. Location—resident Winnipeg but will consider change if proposition attractive. Salary required—$3,200 per annum. Further particulars, Box 121, The Financial Post, Toronto 2.

A BUSINESS ORGANIZER

SALES ENGINEER, with wide production and sales management experience in automobile, aircraft and light metal fields. He will make himself available from Montreal for worthwhile opportunity in British Columbia. Accustomed to full responsibility, 35, single. Well recommended. Write Box 123, The Financial Post, Toronto 2.

REAL ESTATE

FOR SALE
Large Drug Store
Winnipeg's Best Corner

CLOSES 1 A.M. Good spot for 24-hour store. Splendid lunch counter and fountain sales. Turnover $150,000.00 per year. Sales can be increased. Long lease. Price $37,000. includes $12,000. stock. Four Provinces Investment Co., 800 Main St. Phone 95266, Winnipeg, Man.

WALSH, AT PORT CREDIT
THE MAN WITH THE CHOICE
Security and Comfort

$40,000 —CLARKSON, on highway the buy of the year for the man wanting an estate that carries itself now and should show substantial profits in future; home is distinctive and decorations were by an artist; beautiful entrance hall, 20' living room with archway to music room, 15' dining room, 4 large bedrooms, modern tiled kitchen and bathroom with extra washroom down; laundry room on main floor; 2-car garage with apartment above for help; all set on 19 acres with 1,000' frontage; 800 fruit trees ¾ acre of grapes, large barn; immediate possession. Exclusive listing.
Phone, write or call on G. ALBERT WALSH, Broker, Lakeshore Road, Port Credit, Ont. Telephone: Port Credit 2500. Branches at Oakville and Long Branch, Ont.

SEIGNIORY CLUB

$30,000 —MONTEBELLO, Que. adjacent to the Seigniory Club, on the Ottawa River. Unexcelled fishing and hunting in the immediate district. The house, completed in 1946, is fully insulated; heated by a Howard Air Conditioning Unit with oil. Large two storey living room 19' x 28'; dining room 19' x 11' 10"; modern kitchen including electric stove and store size refrigerator; six bedrooms; two marble bathrooms. Self-contained servants quarters; spacious recreation room 30' x 21' over large attached garage. All interior walls are finished in beautiful knotty pine; floors are of marble, travertine, and clear birch with inlaid linoleum in the kitchen and bathrooms. Land consists of 15 acres bordering the river. All dining and bedroom furniture of custom built cherrywood is included. Immediate occupancy. Exclusive listing

For further particulars call or write RHODES & RADCLIFF, Members Ottawa Real Estate Board, 46 Elgin St., Ottawa, Ontario. Telephone 2-5373.

Imperial Oil Adds to Fleet

To help meet the unprecedented demand for petroleum products in Canada, the Imperial Oil Shipping Co., an Imperial Oil subsidiary, has purchased two additional large ocean-going tankers which will go into service this month, Capt. W. R. Smeltzer, manager of Imperial's marine department states.

These ships will carry oil for Canada from South America. These two additions, together with three vessels on charter, increase Imperial's ocean fleet carrying capacity by 42% over prewar tonnage.

The tankers are of the most modern construction, being built to the "T-2" design developed by the U. S. Maritime Commission for efficient transportation of oil during the war. They are each of 16,615 deadweight tons and will carry 138,000 barrels of oil. These new additions will bring Imperial's ocean-going fleet to nine ships, of which seven have been added since the war ended. In cargo capacity and speed they will more than replace the four tankers which the fleet lost during World War II and three which have been scrapped since the war ended.

The first ship was delivered at Portland, Me., last week and the second at Baltimore, Md., this week, Capt. Smeltzer said. They will be renamed "Imperial Charlottetown" and "Imperial Fredericton" when changed over to Canadian registry.

Imperial now has four T-2 fleet tankers bringing oil to Canada—the Imperial Edmonton, Imperial Quebec, Imperial Toronto and Imperial Winnipeg. The British-built Imperial Halifax is on east coast service. These five ships have been added to the fleet since World War II ended. In addition, the older tanker Imperial Regina is operating between Halifax, Portland, Me., and South America and the Imperial Victoria between Ioco, B.C. and California.

This year Imperial will also have two new additions to its lake and coastal fleet of 13 ships. Hulls of the Imperial Collingwood and Imperial London were launched last fall and now are being outfitted. The Imperial Sarnia, which will be the largest Canadian tanker to ply the Great Lakes, will be launched next June.

Okanagan Tel. Bonds Offered

A new and refunding issue of $750,000 Okanagan Telephone Co. 3¾% first mortgage sinking fund Series A bonds, dated Feb. 1, 1948 and due Feb. 1, 1968, is being offered at $100 and accrued interest by Pemberton & Son Vancouver Ltd. and Royal Securities Corp. Proceeds will be used:

(a) In repaying indebtedness incurred to retire $302,500 4¼% bonds redeemed Dec. 1, 1947 at $103 and accrued interest.

(b) To redeem $265,000 4½% debentures due July 1, 1973 at $100 and accrued interest.

(c) For capital expenditures in connection with improvements and extensions.

Company's profit, before interest, depreciation, taxes and amortization, was $92,919 for the six months ended Dec. 31, 1947, against $161,507 for the year ended June 30, 1947. Average annual earnings for the 10 years and six months to Dec. 31, 1947, on the same basis, were $130,238. Total annual interest charges on the Series A bonds will be $28,125.

Capitalization after giving effect to the financing will consist of $1.5 millions authorized, $750,000 outstanding first mortgage bonds and 467,400 authorized and outstanding common shares, par $100.

Colonial Finance Notes Are Sold

An issue of $750,000 3% secured notes of Colonial Finance Corp., Toronto, has been sold privately by R. A. Daly Co. The issue is dated Jan. 15, 1948 and due $250,000 in each of the years 1950, 1952, 1954.

Colonial Finance Corp., incorporated in 1926, finances installment purchases of automobiles. Its president is Percy Hermant.

GROUP SECURITIES INC.
47TH CONSECUTIVE DIVIDEND

The following 1st quarter dividends have been declared payable Feb. 28, 1948 to shareholders of record Feb. 17, 1948.

Class	†Regular	*Extra	Total
Agricultural	.08	.01	.09
Automobile	.08	—	.08
Aviation	.05	—	.05
Building	.11	—	.11
Chemical	.07	—	.07
Elec. Equip.	.13	—	.13
Food	.07	—	.07
Fully Admin.	.08	.02	.10
General Bond	.08	.02	.10
Indust'l Mach.	.08	—	.08
Institut'l Bond	.08	—	.08
Investing Co.	.10	—	.10
Low Priced	.07	.02	.09
Merchandising	.10	.03	.13
Mining	.07	—	.07
Petroleum	.07	.03	.10
Railroad Bond	.025	.005	.03
Railroad Equip.	.05	—	.05
Railroad Stock	.05	—	.05
Steel	.07	—	.07
Tobacco	.05	—	.05
Utilities	.025	.005	.03

†From net investment income.
*From net profits.

Income vs Cost of Living

Return on invested capital is the main source of income upon which many Canadians rely. Recent increases in the cost of living have considerably reduced the purchasing power of this income.

One of our primary functions is to provide investments to yield the maximum return commensurate with adequate security.

Our facilities are available to investors to assist in the rearrangement of investment portfolios, to increase income and improve security as well as for the selection of securities for new investors.

Address enquiries to Department "F".

Wood, Gundy & Company
Limited
Winnipeg TORONTO Vancouver
Hamilton Montreal New York Kitchener
Ottawa Regina Edmonton Halifax Victoria
London, Eng. New Westminster London, Ont.

CHIEF CHEMIST

To co-ordinate and supervise quality control, research and development work in laboratories of large industrial organization engaged in manufacture and processing of soaps, cosmetics, dentifrices, edible fats and oils, glycerine and frozen foods.

In addition to having a thorough knowledge of all phases of laboratory work and the chemistry of oils and fats, the applicant must have the ability to handle staff and be capable of correlating marketing problems and assuming administrative responsibility.

Apply in writing, giving full particulars of education, experience, present position and age to:

C. R. BAKER, Technical Director
LEVER BROTHERS LIMITED
299 Eastern Avenue, Toronto

Pros and Cons of the "St. Lawrence Waterway"

Divergent interests are currently engaged in a campaign to influence the outcome of Congressional consideration of "The Great Lakes-St. Lawrence Seaway and Power Project". In view of the economic implications of this undertaking for Canada, the course of this controversy is of vital importance to us.

To enable Canadian businessmen to obtain a clearer picture of the issues at stake as arguments and counter-arguments are reported in the press, we have reprinted an excellent summary of the pros and cons of the "St. Lawrence Waterway" project.

A copy of this timely and informative article is yours for the asking.

Send for your copy.

McLEOD, YOUNG, WEIR & COMPANY
LIMITED
Metropolitan Building, Toronto, Telephone: Elgin 0161 — 276 St. James St. West, Montreal, Telephone: Harbour 4261
Offices at Toronto, Hamilton, London, Ottawa, Montreal, Quebec and New York.
Correspondents in London, England.
Members of The Investment Dealers Association of Canada

The new levels
in high grade bond yields

Send for "Investment Suggestions" *for February*

The new levels established for Dominion of Canada bonds in open market trading indicate a definite improvement in yields — both for these and other high grade securities. Check these new yields in our "Investment Suggestions" for February; it contains a diversified list of bonds, preferred and common stocks.

Write for "Investment Suggestions" today; we'll be glad to send you a copy.

W. C. Pitfield & Company, Limited
MONTREAL
Halifax Moncton Saint John Ottawa Cornwall Toronto Vancouver

J. H. McQUAIG & CO.
Industrial Psychologists
Selection of Executives and Salesmen
Testing of Personnel for Industry
30 Bloor St. W., Toronto. Kl. 6514

WHO NEEDS TENANTS?
With demand exceeding supply, there is no renting problem. This situation can change and with great speed. The owner, absorbed with his own business, can be caught napping. Our building management department is on top of the market—use this service.
LYONS
Building Managers
347 BAY ST. TORONTO Phone AD. 3232

EXPORT TRADE WITH FAR EAST
Executive of old established Canadian export firm with associate offices in the Far East, including Japan, will be available in Toronto shortly. Manufacturers and others desirous of engaging in or expanding their export trade are requested to communicate with "FAR EAST," in care of CANADIAN EXPORTER, 73 Adelaide St. W., Toronto.

CANADIAN TREMBOLGRAPHS
THE INVESTORS FINANCIAL SERVICE in READY REFERENCE FORM
Thirty items of analytical information in graphic and tabular form on more than 180 Canadian Corporate Securities.
Write for Descriptive Folder
Bolton, Tremblay & Company
Investment Consultants
266 St. James St. W.
MONTREAL

Proxy Fight Is Prospect For Premier Trust Meeting

A proxy fight for control of Premier Trust Co., Toronto, Ont., was under way this week. The result will not likely be known until the company's annual meeting is held on Feb. 18.

On the one side is Kamm, Garland & Co., Toronto investment firm, which contends that "a change in the executive personnel of the company is imperative" to improve its results.

On the other side is the present executive which states "the company has a long steady successful record and its earnings, position and prospects, as a study of the enclosed statement will reveal," are excellent. (For annual report see page ? * ?.)

In a letter soliciting proxies dated Feb. 2, H. A. Garland writes shareholders:

1. "The record of the Premier Trust Co. shows a marked contrast to the general trend. The annual reports disclose your company's business as steadily decreasing. This is reflected in the dividend payment to shareholders being reduced over the last few years. In 1938 the payment was $5 and the current rate is $2 per share.

2. "Total assets of 26 trust companies registered in Ontario increased 19% from the end of 1938 to the end of 1946 while total assets of the Premier Trust Co. decreased 24%; for the same period the net profit of the 26 companies increased 22% and that of the Premier Trust decreased 14% while the return on capital of the 26 companies increased 9% but decreased 60% for the Premier Trust Co.

3. "We notice from the 1938 annual report of the company there were 11 directors which included such prominent businessmen as Everett Bristol, William J. Heaman, D. F. Peplar, H. Southcott and H. J. Carmichael. The 1946 report lists only five directors and not one of the abovementioned is included."

"Misleading Remarks"

In a reply to this letter dated Feb. 5, Company Secretary N. S. Watt states: "The circular letter in question makes erroneous and misleading remarks about certain aspects of the company's business."

He also states that an unlisted stock brokerage office has been trying to buy Premier Trust stock "at prices far below the intrinsic value of the stock" and that the Kamm, Garland letter is likely to depreciate the market value of the company's shares and hurt its business reputation.

"Your shares of the capital stock of the Premier Trust Co. are a valuable security," Mr. Watt states. "The company has a long steady successful record in its earnings, position and prospects, as a study of the enclosed statement will reveal, are excellent. The shares are listed on the T.S.E."

Deny Market Weakened

In a reply dated Feb. 9, H. A. Garland states in part:

"In our letter of Feb. 2 we purposely refrained from engaging in personalities as we felt this would serve no useful purpose but, on the other hand, might hurt the Premier Trust Co. However, in view of Mr. Watt's letter we are writing to advise you more fully as to our reasons for soliciting your support.

"In regard to our purchasing shares of the Premier Trust Co. We are Members of the Investment Dealers' Association of Canada, and, as such, deal in all trust and loan company shares. We have not only purchased shares for ourselves, but also for the account of our clients. In regard to depreciating the market for the value of the shares — as stated by Mr. Watt — we have not only supported the market on the street but have also purchased shares on the Toronto Stock Exchange. We have been prepared to purchase shares at current market prices at all times and this has strengthened the market and not weakened it, as Mr. Watt states.

"You will notice from the 1947 annual report of the company there has been a further decrease in the total assets of the company. The 1946 report showed total assets of $12,173,742 and the 1947 total is $11,950,688. Net revenue is also down from $71,253 to $60,654. Net profit, after all adjustments and reserves is also down from $44,241 to $33,654."

Company directors are: Thomas B. Holmes, president and general manager; John Dearness, vice-president; A. H. Seguin; D. C. MacLachlan; J. G. Holmes.

Howe Housing Has Been Asked By 79 Centres

OTTAWA—Some 79 municipalities have made "active application" for new federal housing assistance in 1948, according to returns tabled last week in the House of Commons.

Of this number, 21 have shown "'definite interest" but no fixed number of houses has been established.

The remaining 58 municipalities have made requests for approximately 6.600 units. The total number of units set out as a 1948 "target" by the government was 12,000.

Municipalities which have already specified the number of houses required are as follows:

BRITISH COLUMBIA	
Cranbrook	25
Kamloops	100
Penticton	50
Rossland	50
Vancouver	600
Vernon	100
ALBERTA	
Calgary	500
Lethbridge	100
Medicine Hat	150
SASKATCHEWAN	
Moose Jaw	200
North Battleford	50
Prince Albert	50
Yorkton	100
MANITOBA	
Brandon	100
ONTARIO	
Bartonville	200
Brockville	100
Burlington	25
Chesley	50
Cobourg	75
Cornwall	100
Fergus	50
Fort Erie	35
Fort William	100
Guelph	100
Ingersoll	35
Meaford	50
Napanee	25
Newmarket	50
North Bay	50
Orillia	50
Oshawa	90
Peterborough	200
Port Arthur	100
Renfrew	50
Sarnia	300
Sault Ste. Marie	125
St. Catharines	75
Scarborough	11
St. Thomas	57
Simcoe	50
Stratford	100
Sturgeon Falls	25
Waterloo	150
Windsor	500
Wingham	50
QUEBEC	
Aylmer	50
Hull	300
Montreal	15
Quebec	200
Sherbrooke	40
NOVA SCOTIA	
Amherst	50
New Glasgow	50
Stellarton	25
NEW BRUNSWICK	
Campbellton	50
Fredericton	100
Moncton	100
Saint John	500
PRINCE EDWARD ISLAND	
Charlottetown	29

The 21 municipalities negotiating on an "active application" basis but with no fixed number of houses as yet are: In B. C., Courtenay; in Alberta, Edmonton; in Saskatchewan, Melville, Regina, Saskatoon; in Manitoba, Portage la Prairie, St. Boniface, Transcona, Winnipeg; in Ontario, Alymer, Barrie, Belleville, Bowmanville, Hamilton, London, Morrisburg, Petrolia, Sudbury, Teeswater; in Nova Scotia, Dartmouth.

It is reported that in the 1947 program, applications for 8,000 units were accepted. In the calendar year, Wartime Housing completed 5,421 of these units. The balance are under construction.

Texas Co. Pays U. S. $ For McColl-Frontenac

The Texas Co. has exercised its rights to subscribe to the new capital stock recently offered by McColl-Frontenac Oil Co. on the basis of one new for every two shares held, J. M. Pritchard, President of McColl-Frontenac, announces.

The Texas Co. paid its subscription of $4.5 million in U. S. dollars which has been converted to Canadian funds in the official market, Mr. Pritchard added.

WALTER H. SOMERVILLE

vice-president and general manager of the Mutual Life Assurance Co. of Canada has been elected executive vice-president. He will continue as general manager.

CPR Declares Final 3% Dividend

Directors of Canadian Pacific Railway Co. have declared a final dividend of 3% (75c a share) on the common shares in respect of, and out of, earnings of 1947. It is payable Mar. 31, 1948 to holders of record Feb. 23, 1948, the company announces. This is the same amount as was paid last year.

The directors point out that this dividend, making a total payment of 5% in respect of operations for 1947 is made possible only by income from sources other than railway operation. Continued increases in gross earnings from freight traffic have been largely offset by decreases in passenger traffic and by increases in wages and cost of materials and supplies, it is stated.

PREMIER TRUST CO. shows net revenues of $60,655 for 1947, down from $71,254 for 1946. Gross revenue was $284,873 ($293,176).

In the last 10 years, notwithstanding prevailing low interest rates and high taxes, the company has increased its reserves by more than $250,000; has realized $250,000 of miscellaneous real estate and invested the proceeds in income-producing assets of high quality; has placed the revenue on practically a cash basis; and has converted all the miscellaneous bond holdings in both Company Fund and Guaranteed Fund into Dominion of Canada bonds, President and General Manager Thomas B. Holmes points out.

	1947	1946
Liabs. to public, etc.*	$3,521,792	$3,726,375
Shareholders' equity	1,413,412	1,443,140
*Secured by:		
Mtges. & sls. agree.	1,863,255	1,768,595
Office premises	154,273	161,871
Liquid assets†	2,917,676	3,239,049
Total	4,935,204	5,169,515
†Includes bonds and stocks.		
Estates account	7,015,484	7,004,227
Earnings per share‡	$5.13	$5.78
Paid	2.00	2.00

‡Based on amount paid up on subscribed capital.

Raw Tin Price Rises 16c a lb.

A recent price increase in raw pig tin has shoved that world-scarce commodity up 16c a lb. in Canada. Latest effect — a 1948 price list just released by one of the largest tin plate manufacturers showing a general 18% jump from last year.

Record world demands and sharply decreased supplies of tin are factors behind the recent price increases. It is estimated only around 66,000 tons of raw pig tin will be available for the first half of this year — Canada's allocation from Washington's World Tin Committee is running at 4,800 tons a year. Prewar Canada used around 2,500 tons annually, but increased tin plate capacity has boosted demand sharply. It is estimated that around 80% of tin is consumed by this source. Over half of this goes into making of tin cans.

Although putting increased pressure on a wide range of consumer end products, the tin price increases in themselves amount to very little in relation to entire manufacturing costs. On a pound of solder it might mean five or six cents. On an automobile radiator 40c to 60c..

Although eased somewhat recently Ottawa still keeps a tight hand on the list of manufactured products that can consume tin. For instance containers for grease, lubricating oils, disinfectants are still on the banned list. Other products are allowed a percentage of prewar supply.

Latest government price on raw pig tin ranges from 96c a lb. on 40,000-lb.-and-over shipments to $1 a lb. on quantities of 100 lb. and less.

THE
VILLAGE OF ARTHUR
WILL RECEIVE SEALED TENDERS UNTIL MARCH 1st, 1948 for issue OF $97.000—twenty YEAR DEBENTURES.
FOR ALL PARTICULARS WRITE
A. L. PINDER
CLERK.

$98,000.00
TOWN OF COCHRANE
3% Bonds for Sale
Principal and Interest (annual) payable at the Bank of Nova Scotia, Cochrane, Ont.
PURPOSE:
For construction of Cement Sidewalk in the Town of Cochrane.
Tenders for the purchase of the above bonds should be mailed to E. J. MacVittie, Clerk-Treasurer, Town of Cochrane, Ontario, in sealed envelope marked "Tender for Bonds" and must be received at the Town Office not later than noon, March 23rd, 1948.
Highest or any tender not necessarily accepted.
Further particulars on matters pertaining thereto may be obtained from the above-named Clerk-Treasurer.

GEORGE WESTON LIMITED
4½% CUMULATIVE REDEEMABLE PREFERRED SHARES
(PAR VALUE - $100. PER SHARE)
PRICE: $100. PER SHARE AND ACCRUED DIVIDEND
BELL, GOUINLOCK & CO.
LIMITED
ESTABLISHED 1920
MONTREAL TORONTO WINNIPEG

IN TORONTO... CARS and TRUCKS FOR RENT
CALL
car-U-drive COMPANY LIMITED
100 RICHMOND STREET WEST TORONTO, ONT.
AD. 5733

Kerr Steamships Limited
announce
CHRISTENSEN CANADIAN SOUTH AFRICAN LINE.
FAST • REGULAR • FREQUENT
Steamship Service
BETWEEN EASTERN CANADA AND SOUTH AND EAST AFRICA
FIRST SAILING from Montreal
Will commence loading about April 25
Cargo accepted for: Capetown; Port Elizabeth; East London; Durban; Lourenço Marques; Beira; and Mombasa
For bookings and full information please communicate with
KERR STEAMSHIPS LIMITED
GENERAL AGENTS
276 ST. JAMES ST. WEST MONTREAL
Telephone: MArquette 1376 48-1

Ancient Round Tower. Centuries old, these towers are a unique feature of the Irish scene.

A WELCOME *Awaits You in Britain*

Yes, indeed! You can count on a warm welcome everywhere in Britain, today. In mellow, old-world towns .... in quaint, enchanting villages — friendly hospitality awaits you wherever you choose to wander. So come to historic Britain, this summer. Come — and explore at leisure the leafy lanes of its countryside .... the cobbled streets of its towns. And remember — exchange is favourable .... your vacation dollars buy extra pleasure in Britain, now. All reservations — for transportation and hotel accommodation—should be made well ahead. See your Travel Agent now for the answers to your vacation-in-Britain questions.

COME TO BRITAIN

Giant's Causeway, County Antrim, one of strangest and most marvellous sights in Northern Ireland.

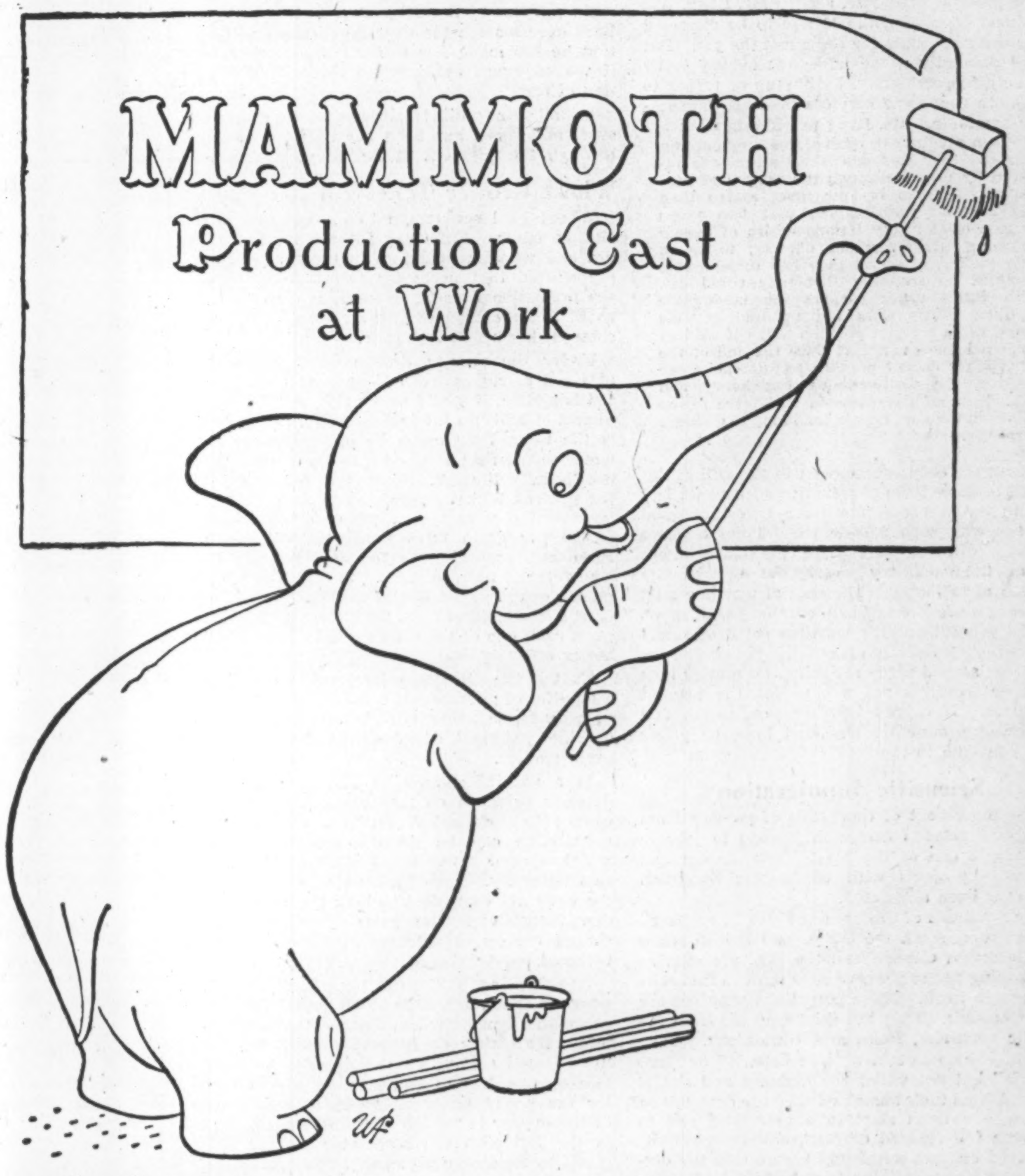
Carrickfergus Castle, built in the 13th Century on the northern shore of Belfast Lough.

INFORMATION Mail this coupon, for beautifully illustrated literature to: THE BRITISH TRAVEL ASSOCIATION 372, Bay Street, Toronto, Ontario or, 410 Dominion Square Building, Montreal, P.Q.

Name ________
Address ________

Issued by The Travel Association of Great Britain and Northern Ireland, Tourist Division of The British Tourist and Holidays Board.

FOR SALE
3 EXTRA FINE DIAMONDS
(Purchased from R.C.M.P.)
1.45 CARATS 1.54 CARATS 2.11 CARATS
These stones are all of gem quality and modern brilliant-cut. Presently unmounted, but can be mounted to order.
Offered, subject to prior sale, at real savings, individually or the lot.
Prices and inspection . . . on request to any approved established jeweller in Canada.
A. E. COOPER COMPANY
Wholesale Diamond Importers, 12 King St. E., Toronto



IT'S FANTASTIC the mammoth growth of the Production Cast in our Telephone and Wire and Cable Divisions that has been necessary to meet the ever-increasing demand for telephone equipment. More production space, more production facilities and more employees are being continually added at Northern Electric, Canada's largest makers of telephone equipment.

Hara-kiri for Building?

Another "devil take all of us" wage drive appears shaping in construction at a time when the whole building market is already jittery on price.

If it develops and succeeds — and many industry leaders admit privately and hesitantly that this is "more than a mere possibility" — it could hurt Canadians by putting construction costs beyond reach of a rapidly increasing number of individuals, companies and government agencies needing or planning new structures. It could threaten serious recession in building, with incalculable effect on the level of general business.

Construction industry management for its part appears to realize the danger. Sitting in recent weeks for annual meetings of its national, regional and local associations it has with virtually complete unanimity demanded new industry-wide self-control, renewed effort at this apparently critical juncture in the inflationary spiral to peg wages and prices and to get production per man at least part way back to normal.

It's high time construction labor, too, took that realistic new look at the hard facts of its market and helped to get back lost customers instead of driving more and more of the remaining ones away. Some of these hard facts, as reported recently by the authoritative Canadian Construction Association:

The building trades union pay scale now averages 60% above the 1935-39 level. This, together with comparable increase in factories making materials is main contributor to a rise of at least 110% in the over-all cost of building in eight years, and 20% in 1947 alone. Against this, man-hour productivity has declined in the same period on job site and in factory between 20% and 30%, partly due to advanced years of many workers and partly to lack of experienece in new recruits, but mostly to plain lack of effort.

And the customers don't like it. They pulled out of the new housing and factory market in droves last year. They're doing it again in 1948 for commercial building and engineering construction.

If anything was lacking in 1947 experience to bring building labor back to earth on costs and efficiency, the lesson should be plain in last month's contract award statistics (see Construction Trends, p. 12). These reveal, for engineering works an 83% decline in value from a year ago and 50% from the month before; for the commercial-institutional-public building category a 40% drop from the level of a year ago.

That should be a very clear and urgent warning to building labor as tables are cleared for new wage discussions in coming weeks.

Why Shouldn't Prices Vary?

Not many weeks ago, the U. S. Department of Justice, cheered on by U. S. publishers, was hot on the trail of Canadian newsprint companies trying to uncover supposed cartel and price fixing practices. Nothing came of it.

Now Editor and Publisher is complaining that there isn't any price fixing.

It points out that pricing policy of the Canadian makers has and does differ and declares:

"The inconsistency . . . is of concern to . . . publishers. Sure, it proves there has been no collusion on price. But after the Canadian manufacturers told a Congressional Committee in Toronto in October that they were helplessly tied to the price and labor trend of the U. S., why is it that a U. S. mill can produce newsprint for a profit at $88.50 per ton, one Canadian company says it can continue to produce it at $91 and other companies both in the U. S. and Canada say they have to have more, without increasing the price to $97."

These U. S. complaints are confusing. Is Editor and Publisher suggesting there should be a cartel—one Canadian price? That is the implication of its complaint that prices differ.

But why shouldn't prices of the mills differ? In some areas wood cutting and hauling is cheaper because of availability, terrain and other factors. Some mills will have superior men running them. Surely, it would be uniformity of price that should bring suspicion and complaint. And cartels always rig price in such a way to protect the least efficient, the highest cost producer. But to quote Editor and Publisher "Sure, (the price difference) proves there has been no collusion on price."

Inviting More Trouble

If we don't practice some self-denial in our spending splurge we will force the Government to step in and mess things up. This was the warning of Louis L. Lang in his presidential address at the annual meeting of the Mutual Life Assurance Co. of Canada last week.

The postwar price rise, argued Mr. Lang, was a natural development. It was to be expected and it may continue for some months yet. But as he pointed out we have aggravated it by spending too recklessly, by buying or trying to buy more goods and services than are immediately available. Mr. Lang put it this way:

"When products become scarce they become dear and they stay dear until scarcity is replaced by plenty through the revival of production. Articles became more scarce than was necessary during the past two years because of the very human desire of people following the austerities of war, to spend their money, of which they had considerable amounts, on anything that they could get. With many eager seekers for inadequate supplies, prices were bid up unduly. We would be in a better position today if we had exercised more restraint since the end of the war. If we do not practice self-denial where possible, the well-meaning but heavy and inept hand of governments will force action which, in the end, is only too likely to do more harm than good."

About the only course open to the authorities would be some form of rationing such as we had during the war and there are two very good reasons why such a course could not hope to succeed. In the first place the Government has not the machinery to carry out any adequate system of rationing. The special wartime staff has long since been disbanded along with much of the general public's wartime spirit of sacrifice, which is equally essential.

In the second place rationing, no matter how well enforced, is not a cure for the present situation. It cannot increase production, and increased production we must have or prices will continue to rise.

Scientific Immigration

The movement of thousands of persons from displaced persons camps in Europe to jobs in Canada is one of the most humanitarian and desirable projects with which this Dominion has ever been associated.

By hundreds of thousands of DPs in scattered camps throughout the U.S.A. and British zones of Germany, Canada and the U.S. are seen as beckoning Meccas, where a person can find self-respect in work. These potential Canadians are not Germans. They are chiefly people from the Baltic countries, Poles and Ukrainians. They would like to live in a "free Estonia" or "free Latvia" but not under the hammer and sickle. Barred from their homeland they are determined to make a fresh start in a new land and to become full-fledged citizens of that new land.

Seven distinct screenings assure that the displaced persons arriving in Canada are likely to fit into our life here and become valuable citizens. They are first checked by international authorities, then passed along for further Canadian selection. They must pass medical, RCMP, immigration and labor requirements. Unlikely persons are eliminated at each stage.

Treatment accorded the newcomers by Canadian industry is an effective answer to the ridiculous communist charges that the DPs are used for slave labor in Canada. Take the example of those who go to the mines. They have their fares paid to Canada. They give their undertaking to work for at least 10 months. In return they are guaranteed equal pay with Canadians (even while learning) plus housing accommodation well up to Canadian standards. A good man may make up to $400 a month in a mine.

While transportation costs within Canada are deducted over the first 10-month period, deductions are later refunded by the employer. A married man can bring his family out later since they have passed medical, security screenings. Arrangements have been made for special courses of teaching, including English, and DPs are reported as keen as mustard to learn.

By bringing these people here Canada is not only helping itself but is easing the population pressure in Europe, and thereby lessening the danger of future war.

Profitable Protection

Here are some significant figures disclosed at the annual meeting of the Sun Life Assurance Co., of Canada, by President Arthur B. Wood. In the 77 years of its existence Sun Life has distributed $2,021 millions to policy holders and beneficiaries. In the same period total assets, held for the benefit of policyholders and annuitants have risen to $1,421 millions. Since the inception of the company total of all premiums paid by policyholders has amounted to $2,981 millions, or almost half a billion less than has been paid out or is held for the benefit of the policyholders.

In other words, if we disregard interest earned, the average holder of an insurance policy gets more dollars back than he pays in and at the same time is protected to the full face value of his policy from the first payment made on it.

Creation of an immediate and substantial estate, through small annual payments, is the main purpose of life insurance. But in looking back over his life the average citizen will find that he has made few better investments even if we disregard entirely the financial protection offered.

Capital gains while small have been absolutely sure, and there has been a systematic saving through the payment of annual premiums.

Wheat Grower Takes All the Risks

Wheat Pool spokesman to the contrary, the closing of the Winnipeg futures market did not end wheat speculation in Canada. It simply shifted that necessary responsibility from the professional trader to someone else. So far, as R. J. Deachman of Ottawa points out, that someone has been the grower.

Under the present system of bulk trading at fixed prices between Canada and the United Kingdom, if world prices rise, as they have almost steadily in the last 10 years, the grower is the loser. How much he has lost since the Government first stepped into the picture has not been estimated. Since the beginning of the present Wheat Agreement in August, 1946, however, the cost has been approximately $2,000 per grain farm family in the Prairie Provinces, according to the Searle Grain Co. Had farmers been permitted to sell their wheat on the open market at the world price, instead of at a low fixed price to the government monopoly, each one of them would have been $2,000 better off.

That is the price they have paid for putting a handful of government officials in sole charge of wheat marketing policy, replacing the individual judgment of thousands of experienced grain traders.

In a natural commodity like wheat, which depends so much on the weather, speculation cannot be eliminated, but the risk of that speculation can be greatly eased and more widely shared if marketing is allowed to function naturally. When that was the case farmers were not compelled to bear the whole burden themselves. The professional speculator shared the losses more often than is usually believed.

Investigating a 21-year period of the open wheat market, Mr. Deachman found that if a speculator bought wheat in the months of October, November or December and sold it in the following May, on the average he would lose money. Yet to listen to some spokesmen for the wheat pools invariably it was a case of the farmer being forced to sell for a pittance in the fall with the speculator making a fat profit by holding until spring. The great weakness of that story, of course, is the fact that there is no seasonal rush of wheat to world markets. The crop is being harvested somewhere every month in the year.

The myth that the professional speculator used to run away with all the money is being largely spread by those responsible for shifting the whole burden of speculation on the man who grows the wheat.

Napier Moore's

ScratchPad

TORONTO NEWSPAPERS reported the goings-on when a 50-ft. trailer carrying a vault door for the new Bank of Montreal building got wedged across King Street and blocked traffic for 90 minutes. They did describe the door. But they didn't answer a lot of questions which gurgled in our mind. So we had to go to the trouble of getting the answers ourself.

Obviously a 35-ton door wouldn't be much good were the vault itself made of corrugated cardboard. Placed in the basement, the vault actually is a series of vaults within a vault. The shell represents 215 tons of torch-and-drill-resisting steel wall, cocooned with concrete two feet thick. The strong-room, 54 by 45 feet, is divided into four separate vaults for safety deposit boxes, securities, cash and silver.

Entrance to the chamber is through an outer and an inner door, each weighing 35 tons; steel two feet thick. The hinges alone weigh four-and-a-half tons apiece. Were they a 32nd of an inch out of plumb the doors would be harder to move than the Iron Curtain. But so precisely are they hung, with bearings so perfect, that a 12-lb. pull with one hand can swing them open. They are locked by two-combination "periscopic sight" locks and quadruple time locks.

In the bank's own section of the vault there will be more than 50 special safes, each with triple control combination locks. Which means that it will take three persons, each using three different combinations to open each of them. The public part of the vault will contain 2,700 deposit boxes, each of which can only be opened by an ingenious key system that is the depositor's private secret.

While the basic conception is the same, the development bears no resemblance to the familiar piggy-bank.

• • •

AS WE HAVE little personal interest in sulky racing, and have no need to travel on the Schomberg-Toronto bus, had it not been for the trade-paper Bus and Truck Transport we might never have heard of Robert Moody, a man of unique achievement. Mr. Moody is a bus driver. Daily he wheels a Gray Coach Liner over the 34-mile run from Schomberg to Toronto and back. To commuters he is an institution. They "go up with Moody on the 5.40." And what do you suppose Bob does for a hobby? He owns, trains and races harness horses. His No. 1 pacer, Lady Lee Gratton collared six out of seven firsts in Ontario meets; was sold to U. S. buyers. Now he's grooming another Gratton and a Sir Walter Scott for next racing season.

• • •

A FRIEND OF OURS, a man of great courage, is building a house. We ran into him the day the roof was finished. Quivering with joy, he pointed to the shingles and said, "I ought to run a flag up, oughtn't I? What's that old custom?" We confessed we'd never heard of it. He said we certainly had a nerve to run a column when we didn't know a simple thing like that. Chastened, we plunged into a bout of research and came up with an old BBC news-sheet which actually described the custom, which still lingers in Sussex, England. Called "The Sign of the Top Brick," it has to do with the chimney, not the roof. A Union Jack is flown from the chimney to tell the owner that the highest point of his new home is completed. Until the Shortage Era set in, the owner, as part of the custom, bought a round of drinks for the workmen. And it was surprising how many workmen were on the job that day.

• • •

LEONARD W. BROCKINGTON, in a speech last week, warned that unless salaries of school teachers are swiftly put in line with qualifications demanded of a profession, Canada would soon be desperately short of teachers.

We have a letter from an M.A., Ph.D., now in the U. S., which says:

"I would suggest that Canadian teachers are pushed rather than enticed across the border. I was a teacher in the ......High School some years ago. As science specialist I had classes in physics, chemistry, botany and zoology. But to fill out my time table I also taught stenography, book-keeping, typewriter, drawing (freehand and perspective), algebra and some English. Some job you'll admit. Fifty-five classes a week. Salary $1,000. You couldn't blame me for accepting an offer of $1,400 with board and apartment to teach just physics and chemistry, with 27 classes and lab. periods per week. Board and living acommodation for self and wife."

• • •

THE INCOME TAX form for those earning up to $3,000 a year has been greatly simplified. It still isn't as simple as one suggested by a tormented form filler. His contained only four lines:

1. What was your income for the year?
2. What were your expenses?
3. How much have you left?
4. Send it in.

Stop Me If—

Suitor: "I have come to ask for the hand of your daughter."

Father: "Which one, Jane or Helen?"

Suitor: "Jane, sir."

Father: "Do you make enough to support two?"

Suitor: "No, sir. One will be enough."

• • •

Uncle Jake, the town character, had just reached his eightieth birthday.

"Don't you hate to grow old?" he was asked.

"Heck no," was the reply. "If I wasn't old I'd be dead."

—Cartoon by Grassick.

"DON'T BE SIDETRACKED, MR. MARTIN"

Post Scripts

New TCA Chief

Confidence in the future of commercial aviation is the dominant note in the views of the 47-year-old Gordon Roy McGregor, new president of Trans-Canada Airlines. McGregor succeeds H. J. Symington whose retirement was announced last November.

MR. McGREGOR

Gordon McGregor is the first war combat flier to become the directing head of a major air travel line. He takes over TCA at a time when it is conceded that there are difficult problems ahead. Most other air lines have the same problems and are expecting that at least for 1948 there may be hard financial sledding because of the needed and costly reorganization.

In the task of this reorganization McGregor has taken a leading part. He regards air travel as one of the most effective agencies for breaking down national prejudices. In the last 14 months he has been twice in South America, five times in Great Britain, and several more times in the United States. Only last year as representative of his company, he attended a conference of the International Air Transport Association in Brazil. At the conference he was chairman of one of its sections, a responsibility which turned out to be a sort of major diplomatic mission. Under his guidance the leading air line companies, most of which were represented at the meeting, agreed it would be a good plan to have a single ticket for airline passengers to carry them around the world.

In late January in New York at another conference of the I.A.T.A. on the same subject his suggestion became reality. The different airlines agreed on a universal air travel card. The card, when approved by 55 world air lines, overcomes the obstacles of international currencies, and once issued gives travel privileges to endorsed persons in any country in the world. Charges for flights are payable in Canadian currency in Canada on the traveller's return. The scheme extends a system previously in operation in the United States and Canada. The plan does not apply in Russian zones.

Born in Montreal in 1901, McGregor studied engineering in McGill University. When 22 he joined the staff of the Bell Telephone. He started flying in 1932 and won several amateur trophies. Enlisting in the air service in the last war, he had a distinguished record. He fought in the Battle of Britain and was credited with having shot down five Nazi planes. He was awarded the Distinguished Flying Cross in 1939, later the Order of the Orange Nassau by the Netherlands, the French Croix de Guerre, the Czechoslovakian War Cross, and the Order of the British Empire.

In 1945 McGregor joined TCA as general traffic manager. Within a few months his authority was extended to include the company's overseas service. As president McGregor is also a member of the Board of directors, succeeding J. A. Wilson who has retired.

Gordon McGregor assumes his new position at a time when his company is undertaking an ambitious program of extension of service and modernization of equipment. Contributing to the heavy expense of operation in 1948 is the new fleet of four-engine North Stars ready for delivery in the spring. Apart from cost of the planes there will be cost of crew training, re-tooling in shops, and acquisition of a stock of replacement parts.

Mr. McGregor will be the first TCA president to reside in Winnipeg. His predecessors had headquarters in Montreal.

New Cockshutt Director

Newcomer to the board of directors of Cockshutt Plow Co. Ltd., and to the office of vice-president, is Wilfred J. Phillips, whose background of 36 years in the implement industry includes 10 years as general manager of that large Brantford firm.

MR. PHILLIPS

Leaving school as a boy who had determined to make industry his life's work, Phillips went into a factory to gain his first knowledge of production machinery and of factory management and methods. He was a young man of 24 when he became a junior clerk in the Cockshutt accounting department. Devoting his spare time to continued study of accountancy, he advanced to the post of chief accountant and later comptroller, in which capacity he continued after his appointment as general manager in 1938.

Two years later he became general manager also of Frost and Wood Co. Ltd., Smiths Falls, a wholly owned subsidiary of Cockshutt.

Retaining his post as treasurer of Cockshutt along with the new office of vice-president, Phillips now becomes as well vice-president of Frost and Wood. For a year he has been vice-president of another subsidiary, Brantford Coach & Body Ltd.

Brantford born, Phillips has spent his life in that city except for a short time in Western Canada in the Cockshutt interests. His rise to prominence in his company's affairs started in the hectic days following the First World War when his task was co-ordination of branch activities. He took the first steps toward rationalizing the credit business in the farm machinery field in Western Canada. The groundwork was laid so well and his lieutenants in the West were so thoroughly trained, Cockshutt had the honor of disclosing the lowest losses in the industry, at a parliamentary investigation into the farm machinery industry some years later.

When Phillips took over the general manager's duties the implement business was still in the depression doldrums, and still feeling disastrous effects of a series of crop failures in the West. Came the war, and the firm was geared for production in shells and in components for airplanes and tanks. Cockshutt Moulded Aircraft Ltd. was formed, to manufacture fuselages for the famous Mosquito. At the same time the company was straining every nerve to produce farm machinery. Its postwar expansion has been no less important in the industrial field of Canada; its floor space has been increased by 50%, and production capacity has been greatly expanded.

What the employees say about "top drawer" is generally a reliable indication of qualities of leadership. Phillips enjoys the affection of his employees and has always shown tolerance for the viewpoint of others.

A quiet and unassuming manner tends to conceal the driving force which has brought Phillips up through the years in the industrial world, and in affairs of the Canadian Manufacturers' Association. So persevering has he been in his industrial career he has had little time for other interests. To use his own words, his work has been his hobby. Between his job and his family he has had no other interests except in casual fashion.

Mr. and Mrs. Phillips have raised a family of four sons, John, William and Harold in Toronto, and Ralph in Brantford.

What Others Are Saying

Editorial of the Week

Let's Have Facts

Montreal Star

When Premier King first said the Government intended to ask Parliament to set up this (prices) committee he also said that the House would be asked to give the committee the necessary powers "to ascertain the facts." The opposition thinks that Government policy is one of the facts that should be investigated. It may be right.

But it can put Government policy under a microscope any time it likes to do so in the House. If it has any facts to bring out in this regard it need not wait for the establishment of a parliamentary committee to bring them out. And it is not debarred by the committee's terms of reference from bringing any facts it may have, about Government policy or anything else, before the investigating body.

The public is eager to get at the truth about price increases. The Government has set the machinery of the Combines' Investigation Act and other statutes in motion as one means of finding out. The Parliamentary Committee is another. It has wide powers to call witnesses. Anybody, whether member of the House or not, can make representations to it under the immunity that Parliament affords. Surely this is an opportunity not to be missed.

The sooner the committee gets to work the sooner we shall have the facts on which action can be taken.

Other People's Views

CANADA IS VERY KEEN on having Newfoundland join Confederation in the opinion of the **St. John's (Nfld.) News.** "Taken as a whole the comments of the Canadian newspapers have been very fair. The simulated disinterestedness on the part of some, however, is not convincing, for it is not difficult to discern just a little impatience that Newfoundland should hesitate to join the Dominion. That is excusable, for we are only too well aware how anxious Canada is to have us come in."

PUBLIC LOTTERIES are sharply castigated by the **Ottawa Journal.** In commenting on the proposal of New York City council to authorize such a scheme the Journal states: "It is hard to believe that responsible opinion in New York State will favor turning back the clock. A lottery is a scheme for enriching a few at the expense of many suckers, and the morals of it are not improved by official sponsorship. A state lottery is authorized gambling in a particularly cheap and nasty form, and we should hate to see so rich and progressive a city as New York descend to such a level in its search for new revenues. Where would the pest stop?"

IN DIVORCE LAW, Canada is one of the most backward countries, declares the **Vancouver News-Herald** which hopes that Col. David Croll's bill in the House of Commons will be supported. "Col. Croll, who is only seeking to bring the Canadian law up to a par with that of Great Britain and the United States, faces a tough, uphill battle. He will meet intense opposition from a religious minority who have fought every attempt at divorce law reform. He is even jeopardizing his own seat in parliament by his courageous stand. It is to be hoped, though, that his bill will be fully debated and that some advance will be made toward a saner law. Surely there must be some way by which the will of the majority of voters can make itself felt—even in the field of human relationships."

GET AT THE FACTS behind the rise in prices, the **Winnipeg Tribune** urges. "The (prices investigation) committee should set to work immediately and if its investigations bring to light circumstances which call for speedy attention, then it should recommend an interim report to the House so that necessary action can be taken by Parliament itself. It will be incumbent, too, on the representatives of Opposition parties, who are members of this committee, to keep feeding ammunition to the committee so that there will be no pause in the diligent quest for facts and figures. The public will not be satisfied by a whitewash job. It will look to the Opposition members to keep up a full head of steam."

The Financial Post

Member Audit Bureau of Circulations
Member Business Newspapers Association of Canada

A weekly newspaper presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

DOUGLAS M. GOWDY, Manager
RONALD A. McEACHERN, Editor

Charles C. Milne, Gordon L. Smith, associate editors; Clive B. Chattoe, construction industries editor; Gordon M. Grant, mining editor; James H. Joyce, investment editor; Donald G. MacLean, insurance and banking editor; Ronald Williams, industrial relations editor. Assistants: N. J. O'Neall, W. L. Dack, W. P. Gillespie, C. A. Bassett.

Ottawa: Kenneth R. Wilson, 260 Irving Avenue, 8-0847.

Montreal: Howard Gamble, Dominion Square Bldg., MA. 2331.

Corporation Records: Paul S. Deacon, Winnifred Flanagan, Sheila Gallagher, Mary Hill, Hazel Horgan, Albert G. Lang, Grace Leaman, Margaret Maitland, Fraser Martin, Wenonah L. Miller, Naomi O'Grady, Marjorie Scammell, Dorothy J. Smeltzer, Claude H. Taylor, J. R. Wilson.

Librarians—Beatrice Hamilton, Jean Reid.

Austin A. Weaver, advertising manager.

Melville M. Greig, circulation and promotion manager.

Advertising Service: Reg. V. Nicholls.

Montreal: Murray R. Chipman, eastern manager.

Subscription Terms: Single copies, 15c. Yearly: In Canada and British Countries (except Australia) $5; Australia, U.S.A., Mexico, Central and South America, France, Spain, $6; other countries, $7.

Advertising Rates: Single insertion, $4.90 per inch. Contract terms upon request.

Authorized as second-class mail, Post Office Department, Ottawa.

Other Publications and Services of The Financial Post

CORPORATION SERVICE. A. C. Bowman, manager. Special service for investors, $1.50 per company a year; complete service $23 monthly.

BUSINESS YEAR BOOK. Yearly $2.

SURVEY OF CORPORATE SECURITIES. Yearly $2.

SURVEY OF MINES. Yearly $2.

SURVEY OF OILS. $1.

DIRECTORY OF DIRECTORS. Price $8.

Printed and Published by
MACLEAN-HUNTER
Publishing Company Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman — HORACE T. HUNTER, President
FLOYD S. CHALMERS, Executive Vice-President — THOMAS H. HOWSE, Vice-President and Treasurer

Other MACLEAN-HUNTER Publications:

NATIONAL MAGAZINES: Maclean's Magazine, Chatelaine, Mayfair, Canadian Homes and Gardens.

BUSINESS NEWSPAPERS: Canadian Advertising, Canadian Machinery, Modern Power, Canadian Printer and Publisher, Canadian Trade Abroad, Industrial Progress, Canadian Shipping, Canadian Automotive Trade, Canadian Aviation, Bus and Truck Transport, Hardware and Metal, Canadian Grocer, Drug Merchandising, Canadian Bookseller, Canadian Stationer, Canadian Paint and Varnish Magazine, Painting and Decorating Contractor, Le Prix Courant, General Merchant, L'Epicier, Sanitary Engineer, Canadian Hotel Review, Fountains in Canada, Plant Administration, Style, Men's Wear, and five business publications in the United States and Great Britain.

OTHER SERVICES: Canadian Press Clipping Service.

Other MACLEAN-HUNTER offices:

MONTREAL Centre 2: Dominion Square Bldg., Marquette 2331.
NEW YORK 18: 522 Fifth Ave., Murray Hill 2-7888.
CHICAGO 6: 309 West Jackson Blvd., Harrison 7890.
LONDON: Maclean-Hunter Limited, Sun Life of Canada Bldg., Trafalgar Square, London S.W.1, Cable Atabek. Whitehall 6642-3.

Feb. 14, 1948

The Provincial Roundup

British Columbia

Share Hospital Deficit: The province will make up half of a deficit totalling more than $1 million, accumulated by British Columbia hospitals last year, Health and Welfare Minister Pearson promised. All hospitals will receive an additional 30 cents a day for all patients treated in the last six months of 1947—an estimated total of $250,000. A further $300,000 will be distributed among institutions judged to be "in extreme difficulties" (Pearson specifically mentioned Vancouver General Hospital, and Royal Jubilee Hospital, Victoria). Municipalities welcomed the aid, but voiced hope it would be continued in future years

Milk Prices Up?: Milk prices of 19 to 21 cents a quart were on the horizon for the four controlled areas of the province. Agreeing that producers and distributors deserved higher returns, Ernest C. Carr, one-man milk board, recommended a two-cent boost. Final decision is now up to the Cabinet.

Big Tug Order: Victoria's postwar shipbuilding program showed no sign of falling off. Latest contract signed by Yarrows Ltd. was for $500,000, for two big towing vessels: a 120-ft. tug for Northern Transportation Co., for use on the Mackenzie River, Great Bear and Great Slave Lakes; and an 80-ft. tug for Canadian National Railways for barge towing on Lake Okanagan.

• • •

Alberta

Settle Treasury Debt: Calgary and Edmonton were conferring with provincial authorities this week on retirement of $2,610,000 treasury bill indebtedness assumed by the cities in 1932-35 ($1,360,000 by Calgary, $1,250,000 by Edmonton). Legislation to settle the province's indebtedness was passed last year. Present discussions, however, Deputy Provincial Treasurer J. F. Percival stressed, were "purely preliminary, and concerned only with a possible basis of settlement."

"Trenton of the West": The $7-million airport at Namoa (eight miles north of Edmonton), main RCAF base in western Canada, may become "another Trenton", Air Marshall W. A. Curtis announced. Constructed by the United States in 1944, it was sold to Canada later. Mayor H. D. Ainlay of Edmonton interpreted the announcement to mean that the capital city's airport will eventually become a civilian and commercial field. He said hangar space was urgently needed for private planes, 15 of which have been standing in the open, because of lack of accommodation.

BUSINESS THIS WEEK

	JAN.	DEC.	NOV.	OCT.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dominion total revenue	....	233.7	214.9	229.6	264.2
Dom. total expend.	....	160.4	183.7	170.5	179.4
MERCHANDISING					
Dept. store sales index no. (1)	....	297.8	348.2	286.4	325.7
Retail sales index (no.)	....	....	274.5	254.1	245.8
Wholesale sales index (no.)	....	....	297.1	325.5	257.2
FINANCE					
Dividend payment index (5)	188.7	183.1	175.8	174.4	155.2
Bank debits	....	....	223.8	240.1	205.2
Money supply (millions $)	....	....	7,546	7,619	7,612
NEWSPRINT CAPACITY					
Production ratio	....	100.8	103.6	104.3	98.8
Shipment ratio	....	101.1	111.7	102.5	103.6
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	199.1	148.5	150.4	188.2
Cars (D.B.S.)	....	169.2	153.1	146.9	155.3
COST OF LIVING					
D.B.S.	148.3	146.0	143.6	142.2	127.0
EMPLOYMENT INDEX					
All industries	....	199.7	197.8	194.8	185.7
Manufacturing	....	205.1	205.1	103.6	194.2
Payrolls (June 1/41=100) (2)	....	192.9	189.1	184.5	159.9

	1947-48	1946-47	1947-48 Jan. 1 to date	1946-47 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
Carloadings (week Jan. 31)	73.2	70.0	349.0	334.1	+4.4
C.N.R. net rev. (Nov.)	4,924	5,661	37,325	40,346	—7.5
C.N.R. gross rev. (Nov.)	37,493	37,128	399,699	364,775	+9.6
C.P.R. gross rev. (Dec.)	28,604	24,948	318,586	292,496	+8.8
C.P.R. net rev. (Dec.)	3,923	3,121	22,892	20,843	+9.8
IRON AND STEEL (000's omitted) (Nov.)					
Pig iron production (tons)	174.1	135.3	1,804.3	1,242.3	+45.2
Steel production (tons)	255.4	222.6	2,695.4	2,097.3	+28.5
CONSTRUCTION (000's omitted)					
Contracts awarded (Dec.)	35,102	36,535	718,137	663,335	+8.2
Cement prod., bbls. (Dec.)	1,068	721	12,219	10,675	+14.4
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Nov.)	1,692	2,350	28,107	27,375	+2.7
Flour exp., bbls. (Nov.)	1,197	1,277	16,990	14,171	+19.9
Wheat exp., bush. (Nov.)	17,373	16,852	144,621	143,289	+0.9
Cattle sales (Dec.) (4)	199.9	172.1	1,581.5	1,889.1	—16.3
Hog sales (Dec.) (4)	613.5	404.5	4,756.0	4,460.7	+6.6
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Dec.)	85.1	79.4	1,093.7	1,216.0	—10.0
Landed value (Dec.) $	2.4	1.9	46.0	55.6	—17.3
NEWSPRINT (000's omitted)					
Production (Dec.)	369	342	4,447	4,143	+7.3
Exports, tons (Dec.)	370	340	4,490	4,136	+8.6
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Dec.)	1,761	1,574	15,839	17,812	—11.0
Gold prod. (fine oz.) (Nov.)	252	231	2,795	2,603	+7.4
Petroleum prod. (brl.) (Nov.)	666	620	6,906	7,012	—1.5
ELECTRICAL POWER OUTPUT (000,000's omitted) (Nov.)					
Total monthly kw.h.	3,614	3,367	41,322	37,932	+8.9
FOREIGN TRADE (millions of $)					
Imports (Dec.)	194.2	181.9	2,573.9	1,927.3	+33.5
Exports (Dec.)	266.2	211.9	2,774.9	2,312.2	+20.0
FINANCE (millions of $)					
Bank debits (Dec.)	6,811	5,935	74,498	69,248	+7.6
Bond sales (Dec.)	206.3	224.6	4,446.8	5,692.1	—21.9
Life insurance sales (Oct.)	102.7	105.7	907.5	887.0	+2.5
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod. (Nov.)	2,737	3,566	33,026	40,111	—17.7
Cigarette cons. (no.) (Dec.)	1,327	1,221	14,141	14,866	—4.9

(1) Base period 1935-39=100. (2) All industries. aNew items for week. (4) Total at yards and plants. (5) Nesbitt, Thomson, etc.

Saskatchewan

Election "Very Near": Election rumors multiplied as the legislature swung into the second week of its session. Premier Douglas had recently warned followers that a vote "is coming very soon". Now it was learned that the CCF had contracted with billboard firms for "considerable space" between May 15 and June 15.

The speech from the throne held few surprises; promised an increase in old-age pensions (probably to $40 a month), and legislation to permit municipal taxation of railway property; gave no hint of repeal of the unpopular two per cent education tax.

Sue Cabinet Ministers: On the eve of the legislature's opening, Sheriff L. A. Shank interrupted a Cabinet meeting, to serve writs on Attorney-General J. W. Corman and Resources Minister J. L. Phelps, defendants in an action brought by the CPR. Challenging validity of the Mineral Taxation Act, the Railway and its subsidiaries are demanding return of money paid under the act, and the return of mineral rights declared forfeit by the Crown, for non-payment of taxes on certain other lands.

CCF "Gestapo"?: "Gestapo" charges voiced by the Ontario CCF, boomeranged in 1945, and swept the party into virtual oblivion. Today the CCF Government here was accused of operating a similar system. Dr. J. N. Haldeman, Social Credit Leader, charged that "a regular Gestapo of government agents" pervades Saskatchewan, and that "fear of government reprisals is real and widespread." Many supporters of Social Credit, he declared, did not dare to be affiliated with it openly, because they or relatives might be employed by the government or by a Crown corporation.

• • •

Manitoba

Curb Hutterite Powers: There was light on the Hutterite question, as the province's 22nd legislature convened this week (Feb. 10) for its third session. No curb would be placed on the right of sect members to buy land when and where they wished, but other customs of the cult must be modified. Under present provincial law, all property, real and personal, of any person joining a Hutterite colony, becomes the property of the community; and the former owner cannot reclaim it, even if he leaves. A legislature committee, after studying the question throughout the winter, recommended wiping out of this provision; also measures to compel Hutterite schools to conform more closely to others in the province. (Thirteen Hutterite colonies have been incorporated by Act of the legislature, the majority along the south bank of the Assiniboine, between Winnipeg and Portage la Prairie.)

Simultaneously, Mennonites of the province announced that after almost a year of negotiation, they had chartered a ship to carry 1,500 of their number to Paraguay, where, they say, they have been promised "greater civil and religious liberty."

A. D. PENHALE

has been appointed manager and secretary of Asbestos Corp., with which he has been connected for 23 years.

Fight Highway Route: Route of the Emerson highway was decided and announced (The Financial Post Feb. 7) but the battle was not yet over. Nine municipalities east of the Red River were up in arms against the west-side route chosen; called on their representatives in the legislature to fight the decision, on three grounds: (1) it disregards the eastern municipalities; (2) it is not in the best interests of the province; (3) it involves "needless and unjustifiable" public expenditure. And if the MPP's didn't get action, the municipalities planned to carry on their fight themselves. The dissidents: St. Boniface, Emerson, Steinbach, St. Pierre, St. Vital, Richot, De Salabery, Hanover and Franklin.

• • •

Ontario

CCF Divided: Next Monday was to see an interesting tug-of-war in Huron county; the first provincial by-election since the general election of 1945. Only two candidates were in the field, seeking the seat of the late Dr. R. Hobbs Taylor, Progressive Conservative; the CCF was not only out of the running, but split in its own ranks. Officially it had declared it would support Benson W. Tuckey, Liberal; but John Huckins, defeated CCF candidate in 1945, this week openly threw his weight behind Progressive Conservative Thos. Pryde; said the Drew Government "has made good on its promise to improve the position of the working man, to a far greater extent than I believe it could be done by any party."

Buy OER?: Next Monday would also be a decision day in Ottawa, whose electors would vote on purchase by the City, of the Ottawa Electric Railway, at an estimated $6.3 millions (the deal would cover transportation facilities only, and not real estate valued at another $254,711).

Ask Tax Relief: Mayors and reeves of Ontario municipalities, called on the province for relief from "three great financial burdens": social services, road development and increased exemptions from municipal taxation. They called on the province to take over social service costs (estimated at over $25 millions in the three-year period 1944-46); suggested, as a possible alternative, some new source of municipal revenue—perhaps an amusement tax. The gathering voiced appreciation of a two-mill grant from gasoline tax revenues, but contended it was not adequate compensation for increased construction costs.

• • •

Quebec

"COULD Happen Here": Communists plan "an organized assault on the democratic institutions of Quebec and Canada" this year, Premier Maurice Duplessis warned an agricultural gathering, calling on "all good citizens to unite with the Government to meet the situation". He said documents seized by government agents, disclosed Red preparation to take over strategic buildings in Montreal—the city hall, provincial police headquarters, and hydro-electric stations. And, insisting that "it COULD happen here," Duplessis recalled that in Hungarian elections Communists received only 10% of the vote, but were so strongly organized they were able to seize power.

Get Pay Boost Arrears: Montreal civic employees hoped to divide a $750,000 nest-egg soon, under terms of a bill now before the legislature. The sum represents arrears of wage increases dating back to December, 1946, granted them under arbitration proceedings last November. The city had pleaded (The Financial Post Nov. 8, Dec. 6, 1947) that it had no authority to pay retroactive increases out of its current budget; but the present legislation would permit it to utilize a surplus in such a way.

• • •

New Brunswick

Credit Union Record: With a total loan turnover of $2,916,054 the year 1947 was a record one for credit unions of the province, Agriculture Minister A. C. Taylor reported. Assets of such unions have soared in eight years from $238,000 to approximately $4,050,000, placing them "in a position to render outstanding loan service," the Minister commented. Total loan turnover in the last 10 years was $11,358,718.

Dairies' "Take" Higher: Adverse weather and other circumstances curtailed the province's 1947 output of dairy products, but selling value was $1,043,464 above 1946. Despite the over-all reduction, ice cream manufacture jumped 53% to 653,201 gallons. Creamery butter also showed a slight increase at 6,925,320 lb., but cheese production dropped almost 19% to 764,635 lb. Total value of creamery butter, cheese and ice cream was $4,600,411; powdered buttermilk $70,000; and approximately 500,000 lb. of butter fat was shipped outside the province.

• • •

Nova Scotia

Woman Mayor Re-elected: Mayor Gladys Porter, MBE, again made history last week by winning a second term as chief magistrate of Kentville, and by maintaining her record of leading in every polling district, in the four elections she has contested in the last six years. She is again the Maritimes' only woman mayor, Miss Alice Hatfield having been defeated in Yarmouth.

• • •

P. E. Island

Training for Civilians: A program of vocational training opened last week, when the provincial Government opened its annex to Prince of Wales College to non-veterans. The building was completed two years ago for training in carpentry, plumbing, blacksmithing, masonry, motor mechanics, agriculture, and electrical work under the D.V.A. plan. All courses have been filled for this winter.

Lift Wharf's Face: The wharf at Wood Islands, eastern terminal of the Northumberland Ferry service, faced a $177,000 face-lifting operation. The Public Works Department (Ottawa) had authorized filling in of construction works about the dock, and erection of a storage building for fishermen's gear. Residents had complained that the present wharf was "more or less makeshift" and encumbered with piles of lobster traps, nets and other gear.

Canadian Sugar Growers Await Fate from Ottawa

Canadian sugar beet growers and refiners are awaiting hourly notice from Ottawa on the fate of their application for increased prices for the 1948 crop. Ottawa's decision could mean a 60% boost in over-all production, or a further sharp cut in acreage.

The sugar beet industry is asking $8.64 per hundredweight for its refined sugar — the same price Ottawa has contracted to pay for part of its 1948 shipments from San Domingo. The Government has committed itself to a 75c per hundredweight loss on the cane sugar since sugar is pegged at $7.89 a hundredweight wholesale in this country. The additional loss on Canadian sugar at the same price would represent a very small part of the approximate $21 million sugar stabilization fund which Ottawa built up early in the war when it made a sizeable profit on its sugar sales, refiners say.

Under the incentive of the suggested price increase, Canada could boost production 100 million lb. over last year's $156 millions, refiners say. This could mean a saving in U. S. dollars of around $6 millions. It would enable the industry to go into the competitive price-free market conditions that are likely to prevail next year in a stronger position.

At the moment, domestic producers enjoy the protection of a $1.29 per cwt. tariff against non-Empire producers and 29c a cwt. tariff against Empire producers. Saddled with sharply rising grower's costs in labor and equipment, refiners make no bones of the fact that the industry has been placed in a more vulnerable competitive position in relation to West Indies production.

The immediate concern of domestic industry is the fear that the large-scale switch to other more profitable crops — particularly in the Southwestern Ontario sugar area — expected to result if no increase is given growers this year might represent a permanent move away from sugar crops by discouraged growers. The last few years there has been considerable switching into soya bean, tomatoes, tobacco.

Finance Minister Abbott told sugar beet officials in January that the consumer price of sugar would not be allowed to rise and that the Government was definitely out of the subsidy field. He also put in the fact that he was not a believer in high tariffs. The minister promised, however, to give full consideration to the whole question.

Prewar, Canada imported around 80% of its sugar supply. Last year the proportion of imports increased to around 85%. Canadian beet sugar from the 1947 crop amounted to 156,425,700 lb. as compared with 206,001,600 lb. in 1946 — a 24% drop. Acreage was 58,271. Ontario produced 164,287 tons, Alberta 366,200 tons, Manitoba 64,804 tons and Quebec 10,488 tons.

GOVERNMENT
AND
CORPORATION
SECURITIES

Enquiries Invited

A. E. AMES & CO.
LIMITED
Business Established 1889

Toronto, Montreal, Winnipeg, Vancouver, Victoria, New York, London, Eng

Underwriters and Distributors
of
Government, Municipal
and
Corporation Securities

Enquiries Confidential

BANKERS BOND CORPORATION
LIMITED
330 Bay Street, Toronto Telephone: AD. 6267

CUSTOMS, TRADE & TAX
CONSULTANT

GORDON E. HOOPER
Formerly of the Department of National Revenue
295 METCALFE ST., OTTAWA, ONT.

At the last Dominion Census, Montreal's population totalled 903,007 . . . Since then, there has been an increase of 193,053 consumers within the city limits (exclusive of the additional Metropolitan area) . . . In other words, *a city approximately the size of Greater Hamilton has been added to Montreal's consumer market!*

—EXTRA buying power for a market already rich and promising in sales response.

—EXTRA coverage power for the newspapers serving this huge market.

—EXTRA advertising power for the Montreal Star — the one newspaper completely covering English-speaking Montreal.

More reasons why Montreal—and the Montreal Star, should be on your sales schedules!

The Montreal Daily Star
"Canada's Greatest Newspaper"
MONTREAL CANADA

What you can do about YOUR HEART

He has a normal heart

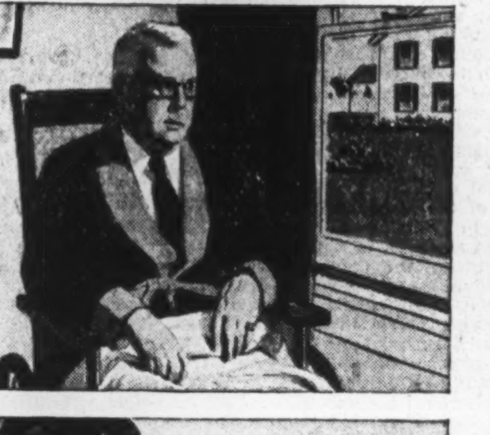
Most people have. Your heart started beating before you were born and in a normal day pumps about 11 tons of blood.

When you are relaxed your heart works about one third of the time and rests about two thirds. When you are active your heart works harder and rests less.

Overweight also makes your heart work harder.

That's why it's important for most people in the middle and later years of life to avoid excessive physical effort and to keep their weight down at least to normal.

When you learn to "take it easy" you are helping your heart.



He abused his heart

Here was a successful businessman who repeatedly overexerted himself at work and play. By age 48 he had developed high blood pressure, and complained of occasional pains around the heart.

His doctor advised him, among other things, to get more rest and cut down his week-end activities. But he continued to overexert himself.

At age 52, he suffered a heart attack. The extra strains he had placed upon his weakened heart had so damaged it that he became a "cardiac cripple." He had *not* helped his heart.

He helped his heart

This man, a doctor, had a heart attack at age 55. After recovering he returned to his practice, but cut down his working hours and the number of patients he would treat.

He took time for a daily rest. He developed several hobbies which kept him happy and busy in leisure hours but did not put a strain on his heart. At 65 he retired completely from his practice.

By thus helping his heart — by knowing how to live within its limitations — he was able to enjoy many interesting and useful years of life after retirement.

Start helping your heart early

While there is much less heart trouble in youth and early middle age than there used to be, more and more people are now living to reach the later years when there is a higher death rate from heart ailments.

By learning as you grow older to stop before you're overtired, by knowing how to relax, by having periodic medical examinations, and, above all, by following your doctor's advice—you can help avoid heart trouble, or lessen the effect if it should strike.

Medical science has developed potent drugs and skilled techniques to help keep you and your heart healthy. Research on diseases of the heart is increasing.

To aid in this work, 151 Life Insurance Companies in Canada and the United States support the Life Insurance Medical Research Fund which makes grants for special studies in heart disease.

To learn more about helping your heart, send for Metropolitan's free booklet, "Protecting Your Heart."

Metropolitan Life Insurance Company
(*A MUTUAL COMPANY*)
New York
Frederick H. Ecker, CHAIRMAN OF THE BOARD — *Leroy A. Lincoln*, PRESIDENT
Canadian Head Office: Ottawa

TO EMPLOYERS: Your employees will benefit from understanding these important facts about the Heart. Metropolitan will gladly send you enlarged copies of this advertisement — suitable for use on your bulletin boards. Address your request to the Canadian Head Office, Ottawa.

Canada's High Living Standard Result of Free Enterprise

says President, Mutual Life of Canada

Wise Planning and Spending Will Help Control Inflationary Trend — Character of People Nation's Real Wealth and Hope

MUTUAL LIFE OF CANADA AGAIN ESTABLISHES RECORD

Professional Standard of Service Given by Company's Representatives

Waterloo, Ont., Feb. 5th

Stating that vigilance and wise spending on the part of all citizens is essential to prevent the spiral of inflation in Canada, Louis L. Lang, President of The Mutual Life of Canada, when addressing the 78th Annual Meeting of policyholders today called on Canadians to follow the practices and precepts of the pioneers in order to help overcome the difficulties that today face Canada and other parts of the world.

Mr. Lang stated that existing signs indicate continued high volume of production, distribution and work for Canadians in supplying goods needed not only at home but particularly in devastated countries. With a continuation of free enterprise, so dearly bought through the years, and its benefits of freedom of action and personal initiative, and a continuing recognition of the importance of real standards and values, Canada should be able to meet and overcome any problems of the future, stated Mr. Lang.

Referring specifically to the progress of The Mutual Life of Canada, he pointed out that for the second year in succession sales of new life insurance exceeded one hundred millions, the Company operating almost entirely in Canada and Newfoundland.

Address by Mr. Louis L. Lang, President Mutual Life of Canada

It gives your Directors great pleasure to present this Annual Report to our policyholders. Your Company is in an excellent position. With seventy-eight years of successful experience behind us, we look to the future with confidence. The report in your hands speaks for itself. Impressive as these figures are, it is not our aim to point to them as a measure of size, but rather to interpret them in terms of human welfare.

Record Mutual Life Sales in 1947

Outstanding among the achievements of the past year is the large volume of new business underwritten by our Field Representatives. For the second year in succession new life insurance policies, to an amount exceeding $100,000,000, have been placed by this Company on the lives of citizens of Canada and Newfoundland, an achievement exceeding by over fifty percent the highest record of former years. To have attained this result in a widely distributed population of twelve million people must be accepted as a tribute of confidence in our Company on the part of the many thousands of policyholders who increased their life insurance protection during the year and other thousands who initiated membership in the Company. Bearing in mind that other life insurance companies, operating in this country, are sharing in the present-day popular recognition of life insurance as the best means of providing family security and encouraging systematic thrift, those of us directly engaged in the administration of this great enterprise naturally derive considerable satisfaction in the rapid expansion of its many benefits.

Life Insurance Combats Inflation

Great as is this contribution to the national welfare, life insurance is, in these days, rendering the national economy another service equally valuable. There can be no national stability without a sound economy and the greatest threat to the orderly resumption of peacetime conditions lies in the continuing upward trend of the inflation spiral. This is caused partly by the pressure of an inflated national income to secure possession of an insufficient supply of products. The quickest and surest method of relieving this pressure is to syphon as much of the national income as possible into channels other than the purchase of commodities. The largely increased amount which is being entrusted to life insurance companies accomplishes this object in a substantial, effective and permanent form and from this standpoint alone the continued expansion of life insurance premiums, paid to obtain future security, is commendable.

Professional Standards of Service

In these days the needs of people require careful study, and the additional attention involved in this should be unselfish and designed to promote the greatest good to the greatest number. The field representatives of life insurance companies are trained, as never before, to analyze the financial positions of all classes of the insuring public and to fit into the family budget the type of savings and protection best suited to each individual case. The distribution of life insurance is no longer merely the selling of a commodity, but has become a professional service, making provision for financial security, individual, family and business, covering not only the hazards of today and tomorrow but also extending into the years which lie beyond. The adequate training of these field representatives is no small matter. It requires not only thoughtful direction from the Home Office but concentrated application and serious study on the part of managers and agents in the field. This specialized public service will enhance the high regard in which life insurance is now held by the public, and will expand greatly its usefulness to the people as a whole.

Comprehensive Benefits For Industrial Workers

In giving attention to the steadily rising needs of humanity generally, it is only natural that life insurance should extend the scope of its operations to include in greater numbers industrial workers, who constitute a steadily increasing proportion of our country's population. Recent years have seen a marked development of group insurance, based on the employer-employee relation, which enables us to provide insurance coverage at a lower cost than is possible under individual solicitation and collection. Although we have been actively engaged in this type of business for only a few years, the group life coverage we provide now exceeds $65,000,000, and is growing rapidly. In addition, our group contracts provide benefits for employees other than life insurance, such as protection in the event of accident, sickness or disability, and provision for the cost of medical care, surgery and hospitalization. Retirement and annuity benefits are also furnished in very many cases.

Mortgage Loan Investments Increase

It is gratifying to note a substantial increase in the Company's mortgage loan investments which reflects, of course, the increased residential building program of recent years. As in the past, we are continuing to take an active part in National Housing Act projects. Our investment interest in Prairie farms is now but a fraction of what it formerly was and, relative to our Assets, it is now a minor item. We continue to make this type of investment but find the demand for farm mortgage loans is limited. The enjoyment by farmers of a comfortable living, with something to spare, is so important to our Canadian economy that I hope this condition will continue.

As a Company we are also interested in the development of Northern Ontario, particularly the gold mines which are so important to that area. The difficulties being experienced are well understood and I trust the measures now in effect to assist them will prove of real value. It is of the greatest importance that all mining and other natural resources should be developed and assisted in every possible way.

Insurance, like other departments of national activity, is affected continuously, and often seriously, by national and international general conditions which, therefore, must be kept under constant review.

High Demand For Manufactured Goods

In Canada, production in manufacturing, agriculture, mining, lumbering and fishing should continue at high levels during 1948. Some 1947 records may be surpassed. Most countries are without luxuries or even comforts, and many are still short of the necessities of life. Their peoples require immense supplies of food, clothing, furniture, and many other manufactured articles. The damage done by the war to material things, such as buildings, factories and transportation systems, is replaced only to a small extent. Vast amounts of machinery, building materials and tools, are needed to complete this task. The forests and the mines must continue to supply raw materials.

Most Canadian factories are still behind with their orders, owing to the accumulated demand for their products. In Canada, we are trying to do two things simultaneously. We are narrowing the gap between the needs of the people of our own country and the available supplies of all kinds. In addition, we are exporting quantities of food and goods to many countries on the greatest scale in our history. There are many indications that this double task will be continued.

Existing Signs Indicate Busy Future

When the mighty production machine of Canada is running at high speed, turning out immense quantities of products, all other activities must expand and accelerate in order to transfer the products of the fields, the factories, the mines, the forests and the fisheries to the consumers at home and abroad who are eagerly waiting for them. Merchants must adjust their efforts to keep up with output and those engaged in finance have to extend their systems to facilitate the increased flow of goods and services. The work of maintaining the present immense production and distribution, though difficult, is being carried out with great efficiency through the co-operation of all those engaged directly and indirectly in this national effort. All existing signs indicate continued high volume of production, distribution, work and business for the people within the boundaries of this country. How long this situation will last is a matter of intense interest and consideration, but is quite incapable of definite prediction.

We might have better success in looking into the future if all the determining factors were within our own country and were dependent on the action of free markets rather than Government decree, but this is emphatically not the case.

Patience Required With United Nations Progress

There is widespread disappointment that the international machinery set up by the United Nations has not produced better results. A great organization has been created on paper and launched with high hopes. Its achievements to date are definitely below what was expected. Part of the cause was the refusal of certain countries, led by Russia, to co-operate with other countries in the task of clearing away the ruins of war and rebuilding stricken countries. The magnitude of the task must be taken into account. At best, what degree of world government could have been attained in less than three years? Wisdom, courage, patience and tolerance are needed to achieve even small measures of success in so vast an undertaking.

In spite of difficulties, some progress has been made during the year. Great Britain, the United States and France and other smaller countries are apparently determined to go ahead by themselves, if they cannot get co-operation from the whole world, in order to maintain and increase production, to provide and maintain financial facilities, to expand real international trade on a normal and natural basis and to keep the peace which has uneasily existed during the last two years. In the meantime, Canada, vitally affected by external decisions and events, must take an intelligent interest in world affairs and co-operate with other countries in dealing with them.

Scarcity of Goods and High Demand Help Create High Prices

Prices are still rising and, unless something unforeseen interferes, they will probably continue to rise for some months. There is nothing strange about this. Prices always rise during and after a great war. How could it be otherwise? In war, enormous numbers of men and women are taken away from their regular work and their energies are transferred to the armed services and to the temporary occupations required to supply these services. Large numbers lose their lives or are badly injured. Great damage and loss are inflicted, not only on the combatant nations, but on all the rest of the world. These terrible and accumulated disasters, loss of life, injuries and impairment of health; diversion of labour into unproductive fields and damage to physical things, combine to create and maintain scarcities of all products. When products become scarce they become dear and they stay dear until scarcity is replaced by plenty through the revival of production. Articles became more scarce than was necessary during the past two years because of the very human desire of people, following the austerities of war, to spend their money, of which they had considerable amounts, on anything that they could get. With many eager seekers for inadequate supplies, prices were bid up unduly. We would be in a better position today if we had exercised more restraint since the end of the war. If we do not practise self-denial where possible, the well-meaning but heavy and inept hand of government will force action which, in the end, is only too likely to do more harm than good.

Security for Workers

Wages are, of course, the great factor in costs of all products and services. Fortunately, there are encouraging signs that many wage and salary earners are getting tired of chasing the spiral upward and are placing greater value on the advantages of steady employment and lower prices for the things which they have to buy. They are realizing also that their best hope of security is the creation and maintenance of wage and work schedules which wil keep plants in constant operation and in a sound financial position.

Socialistic Theories in Operation Bring Loss of Liberty and Opportunity

Politically and in a true social and economic sense, backward steps are being taken in many parts of the world. Forms of slavery have been re-established in these areas.

In Canada we recognize the rights of the individual and the initiative of citizens as a whole and not the dictatorship of the few.

The history of the world shows that socialistic theories when put into effect on a large scale can be maintained only by police state methods, dictatorship, loss of liberty and opportunity and degradation of the people resulting in a reduced standard of living. Contrast such conditions with the record of what Canadians have achieved. With a very small percentage of the world's population, Canadians stand high in progressive attainments in religion, education and social welfare, and also in material fields, which have provided one of the highest standards of living in the world.

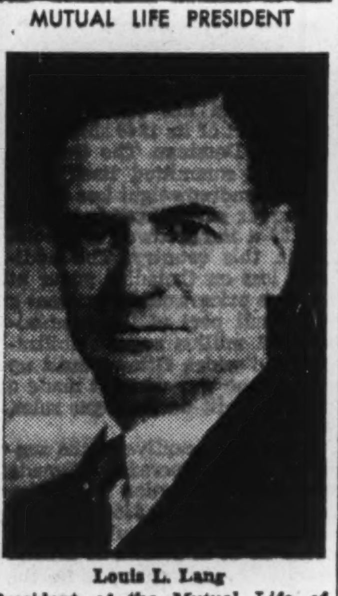
This has been achieved to a great extent by following the policy of free and individual enterprise which provides opportunities for all.

Two years ago, many in high places in Government, labour and even in industry in the United States and also in Canada predicted serious unemployment immediately following the war. They said that millions would be without jobs. They used this statement to demand and to secure immediate change in the work week from 48 hours to 40 hours or less. They even stated that the real problem was to learn how to live 50% better, while working less. They apparently feared over-production. They were still promoting an economy of scarcity. The results of the last two years have proved how wrong these poorly informed prophets were. Perhaps if they had been permitted to do all the planning for us we would have had less employment; and certainly even less production.

Excessive Inflation Must be Avoided

The people of the United States and Canada have never known such apparent prosperity as they witness today. There never has been such a large national income though our dollar is seriously depreciated, nor such an immense production, nor so much work at high wages. Part of this situation is due to the strategic position they occupied during the war, their freedom from invasion and destruction and their immense reserves of men, machines, materials and food. But part of it is due to inflation, which, in the nature of things, is artificial and temporary. Inflation in Canada, however, serious as it is, is really slight in comparison with the degrees of inflation which have swept through other countries during and since the war. A moderate inflation is not an unmixed evil. To some extent, it is a punishment for past errors and a remedy for their results. But we must make every effort to avoid following the road of excessive inflation to the extreme degree which would diminish greatly or wipe out property values, and would reduce much employment and real incomes in all fields of Canadian activity.

MUTUAL LIFE PRESIDENT



Louis L. Lang
President of the Mutual Life of Canada, who addressed the 78th Annual Meeting of policyholders held at Waterloo, on Thursday, February 5th.

Problem of Exchange and International Balances

One of our chief problems is financial, which is a direct result of international developments. Briefly, we are not getting paid for the greater part of the products which are being sent out of this country to other countries and it is problematical if we ever will be paid for considerable quantities of these goods. Such goods have been erroneously described as exports but they are really nothing of the kind. Real exports, as we have always understood the word, are goods which are handled in the ordinary channels of trade and are paid for. This is responsible for the very serious problem of exchange and international balances which is now concerning the people of Canada and will be a matter of grave moment for them until it is solved. Let us remember that one of the causes of rising prices is our help to other countries. Would anyone suggest a substantial reduction in the food and other products which we are sending to Great Britain and certain other countries in order to live better ourselves? Few Canadians, if any, would advocate this shameful course. We must continue to do our part in helping other countries because that policy is right and also because it is wise. The Marshall Plan should help Europe, South America, the United States and Canada when it is put into operation. We should co-operate with this plan to the limit of our ability but, while doing this, we should realize that our own problems will be solved chiefly by our own thinking and efforts and act accordingly.

Vigilance and Wise Spending Necessary

The people of Canada, as in other countries, are in the shadows of uncertainties but this is a very dangerous world and catastrophes are many and unexpected. It would be dangerous to regard the swollen statistics which have been appearing during the past few years as indicating a normal state of affairs. They have created an inaccurate impression and are partly responsible for the spectacles of waste and extravagance which are all too evident in the United States and Canada. Some people have been throwing money about recklessly. Their minds appear to be filled with material things as though they are under the impression that, because they are handling a lot of paper money, they have arrived at a state of permanent prosperity.

Co-operation in All Spheres Required of Canadians

In the present year, let us work hard as individuals, following the precepts and practices of our ancestors and improving upon them. We should support and co-operate with our governments, Dominion, Provincial and Municipal, which in their turn should leave us free to do so, and also with the governments of other countries and with the United Nations. Canadians should strive to increase production, to maintain employment, to improve social conditions, to develop new sources of supplies from our national resources, to encourage suitable immigration, to reduce unnecessary public expenditures and debts, to withhold capital public works for periods of lesser activity, and to be vigilant and wise in all public and private business.

Strengthening of Spiritual Values Essential

Most important of all, Canadians should uphold the conception of spiritual values. Materialistic philosophies perish with materialistic nations which they have misguided. The characters of peoples are their real wealth and hope. Two world wars and the intervening world depression were severe tests of fortitude but the people of Canada endured and won through and if Canadians continue to attach due importance to real standards and values, they should be able to meet and overcome the problems of the future, whether they arise from disaster or prosperity.

Address by Mr. W. H. Somerville, C.B.E., Vice-president and General Manager

Growth of Assets

The accelerated rate at which the resources of our Company are increasing is illustrated by the growth in Total Assets. These reached $100 Millions in 1929. Twelve years later, in 1941, they passed $200 Millions; and at the end of another six years, in 1947, they were more than $300 Millions. The total of $305,238,278.75 at December 31, 1947 was a record increase of $18,445,600 over those at the end of 1946. The increase in Assets a year ago was $17,232,600.38; and $17,456,388.96 two years ago, which previously had constituted the record increase.

New Business and Surplus Earnings

In the past two years the Company has stepped up its issue of New Assurances Paid For from $70 Millions in 1945 to $105 Millions in 1946, and to $109 Millions in 1947. Part of the increase in Assets reflects the provision made for the liability incurred through the increase in Assurances in Force; but the financing of two years of exceptionally large new business produces a strain on Surplus Earnings. These Surplus Earnings, which constitute the source of premium refunds, or dividends, to policyholders, thus directly affecting insurance costs, continue however very satisfactory, being $5,432,440.17, $68,986.05 less than those of 1946 and $27,609.26 under those of 1945.

Dividends

It will be recalled that in 1946 a Special Dividend to policyholders was paid out of Surplus Funds. Because of the payment of this Special Dividend of $1,358,599.47, in addition to the regular dividends of $3,909,511.76, the total Dividends to Policyholders in 1946 of $5,268,111.23 exceeded the Dividends Paid or Allotted to Policyholders in 1947, the latter being $4,194,200.09.

Liabilities

Included in Liabilities in our Balance Sheet is Provision for Dividends to Policyholders payable in 1948 of $4,500,000, which is an increase of $250,000 in the corresponding provision made a year ago. The balance of earnings, $988,240.08, increased the Unassigned Contingency Fund at December 31, 1947 to $13,403,713.79; and the latter sum, with the General Investment Reserve which remains at $3,500,000, represents 5.54% of Total Assets. Thus funds to meet unforeseen contingencies are being maintained at amounts relative to increased responsibilities.

Specific Reserves

Prior to 1945 it had been the custom to carry two Specific Reserves —one for depreciation of Mortgages and Sale Agreements, and the other as protection against fluctuations in the market value of stock investments. These two reserves were combined and increased to $2,000,000 in 1945, and to $2,500,000 in 1946. A reduction has now been made of $19,935.50 to $2,480,064.50 through write-off of Real Estate, Mortgage and Sale Agreement Accounts.

Interest Income

Revenue Interest Income amounted to $10,883,673.45, an increase of $347,410.77 over 1946. The main sources from which it was derived were: Bonds and Debentures, $7,605,919.80; Mortgages and Sale Agreements, $1,925,134.50; Policy Loans, $882,450.11; Dividends on Stocks, $399,215.78. Interest received on Mortgages and Sale Agreements showed an increase of $80,200.77 over 1946 as against a reduction last year of $106,785.41.

Calculated on the average of book values of our Bond and Debenture Account at the end of the year, the rate of interest earned on Bond Account was 3.39%; on Stock Account, 5.19%; and on Mortgages and Sale Agreements, 5.43%.

Policy Loans

Our Policy Loans reached a maximum of $29¼ Millions in 1934 and decreased continually since that year to $17,817,908.39 in 1946. For a considerable part of 1947 the aggregate of Policy Loans continued to diminish; but a change in trend developed in the later months of the year resulting in an increase of $167,270.36 in the amount of loans outstanding, to a total of $17,985,178.75, but the interest earned was $14,060.19 less than in 1946. Policy Loans now represent 5.89% of Total Assets.

Interest Earned

In the three years 1941, 1942 and 1943 the gross rate of interest earned on invested assets was almost constant at 4.59%, 4.57% and 4.56%. In 1944 the rate earned increased to 4.75%; but dropped to 4.27% in 1945; to 3.96% in 1946; and to 3.84% in 1947.

Mortgages and Sales Agreements

At $38,529,492.61 the Mortgage and Sale Agreement Account shows an increase for the year of $6,197,374.62 as against an increase a year ago of $2,132,369.93, and comprises 12.6% of Total Assets. At the end of 1947 our total City and National Housing Act loans were $27,982,018.27 and $8,816,760.47 respectively, mortgage loans on Farms amounting to $1,730,713.87.

Farm Mortgages and Sale Agreements continued to decline, and now constitute only 4.49% of our Mortgage and Sale Agreement Investment, as against 22.1% ten years ago.

The amount invested in National Housing Act mortgages increased by $2,608,266.55 and comprises 22.9% of our mortgage portfolio, as against 19.2% a year ago.

During 1947 we accepted 3,255 new mortgage loans amounting to $12,474,094.18, an increase of $2,901,040.35 over the amount accepted in 1946. Mortgage advances in 1947 amounted to $11,379,855.23, to produce a gain of $6,197,374.62 for the year. The outstanding commitment which remained to be advanced at the end of 1947 was $4,600,676.39.

Real Estate

Real Estate, other than our Head Office which is taken into our Assets at $500,000, amounted to $725,907.83, of which $318,677.83 represented investments under the Land Assembly Plan of the National Housing Act. Of the balance of Real Estate Acquired, $407,230, $143,000 is the book value of buildings in which the Company maintains offices in Toronto and in Montreal. Ten years ago our Real Estate Acquired Account was over $4,000,000 and was about 2.4% of Total Assets. It now accounts for only .13% of Total Assets.

Housing Assistance

To provide a further means of assisting in the solution of the pressing housing problem by making fully serviced land available at cost for residential building in accordance with the best principles of community planning, The National Housing Act, 1944 was amended at the 1947 Session of Parliament to empower life insurance companies to invest funds in the acquisition of land for improvement and development. During 1947 the Company undertook two subdivisional developments — one in North York, and the other in the Town of Mount Royal—the total amount invested being $318,677.83, under a guarantee of a 2% return by the Government. It is the expectation that the financing of construction of residences in these areas may provide an attractive outlet for mortgage investment.

Bonds

The Bond Account at $228,893,670.87—75% of Total Assets—shows an increase of $9,272,133.86, while the increase a year ago was $13,562,718.64, when Bonds comprised 76.5% of Total Assets. Of these, the book value of our Dominion of Canada Direct and Guaranteed Debentures now amounts to $172,913,896, an increase of $3,232,758.43; and Other Government, Provincial and Municipal Bonds at $40,752,910.80 show an increase for the year of $6,699,345.30, a large part of this increase being purchases of United States Treasury securities. Public Utility, Industrial and Other Bonds are slightly lower at $15,226,864.07.

Stocks

Holdings of Stocks increased by $284,002.83 to $7,880,959.98, of which $2,732,914.90 were Preferred and $5,148,045.08 Common. The market value of our Common Stocks was slightly more than a million dollars greater than their book value.

Profits on sale of securities, applied to reduce book value of our investments to stabilize future interest yields, amounted, in 1947, to $2,186,653.95, compared to $2,502,804.04 in 1946 and $3,547,799.45 in 1945.

Amounts on Deposit

Policy Proceeds, Dividends and Other Amounts on Deposit with the Company amount to the very substantial figure of $45,824,388.74, being made up of Dividends Left to Accumulate, $18,715,847.16; Sums Assured on Deposit, $22,879,237.70; Future Premiums Discounted, $3,465,914.42; and other amounts, $763,389.46. The increase for the year of $3,662,239.82 reflects the increasing popularity of the Settlement Options in the Company's policies and the disposition, on the part of policyholders and beneficiaries, to leave moneys due them with the Company at interest rather than to withdraw and invest such sums.

Death Claims

A distinct change in trend occurred in the ratio of actual to expected Double Indemnity Claims in 1947, the ratio increasing from 24% in 1946 to 76.5% in 1947; as a consequence of which the gain from this section dropped from $83,500 in 1946 to $24,100 in 1947. While our general mortality experience was very favorable, the ratio of actual to expected mortality being lower than in 1946, a study of the face amount of death claims paid discloses a sharp increase in accidents as the cause of death, 6.1% of the amount of total death claims paid being on account of accident, as compared to 4.5% in the preceding year; and within this group, automobile accidents accounted for 2.1% of total claims paid, compared to the former percentage of 1.7%.

Terminations

The experience with death and disability claims under our Group life insurance contracts continued favorable and the Company has a Group Life Contingency Fund of $250,000.

Business in force in the Ordinary Insurance Account on January 1, 1947 amounted to $806,210,543 and the addition to the Account during 1947 totalled $103,170,915. Of the total of $909,381,458 thus exposed to termination during 1947, the actual terminations from all causes amounted to only $32,126,721, or 3.53%, compared to 3.30% in 1946, and 2.95% in 1945. Over one-third of the terminations each year result from Death Claims, maturity of Endowments, or Term policies completing their period of coverage. An additional quarter of all terminations are caused when policyholders claim their cash values for emergency or retirement purposes. The remainder, of slightly over $12 Millions, represents policies continued in force for short periods of a few months to under two years and then terminated for various reasons. These lapses arise from the new business of about $200 Millions issued in the last two years; but they do not all remain lapsed as about $3¾ Millions were revived last year. The impression is sometimes given that these lapses represent a loss of the face amount of the insurance, or of $12 Millions, to the persons to whom the policies were issued; but this is quite erroneous. The loss incurred is limited to the premiums or the fractional premiums paid less the value of the large amount of protection furnished. The Company endeavours to keep lapses — and surrenders also—to a minimum through increased attention to the quality of business written. The carrying out of this policy lies to a very considerable extent, with the field men. Effective conservation of business can be secured only by careful and intelligent selection of business in the first place, and by close attention to the insurance which has been placed on the books. This requires the maintaining, building up, educating and training of a Field Force of high calibre. The efforts of our field men in endeavouring to keep business in force are made more difficult by those persons who urge that it is better to give up higher-premium insurance, re-invest its cash value and buy term insurance for protection. Certain articles have been written advocating the purchase of term life insurance to the exclusion of all other plans. For temporary needs term insurance is very useful, but as protection of a temporary character for a period of from ten to twenty years, term insurance may be expensive as compared to other permanent plans which may be surrendered when no longer required. The criticism of permanent plans is, however, usually based on unsound arguments and charges are made against the good faith of life insurance companies in the treatment of other than term plans. As these charges are without foundation, the comparisons which are made do not indicate the true advantages or disadvantages of either. One such argument is that on the death of the assured the cash surrender value should be paid in addition to the sum assured; but in calculating premiums the cost each year is based on the face amount of the policy less the reserve, so that no greater premium is charged than is necessary to pay the sum assured at death, and not the sum assured plus the surrender value, which is based on the reserve. The cash surrender value is the alternative settlement which an assured person has the option of taking if he does not wish to continue an endowment policy to maturity or one of the life plans until death.

Life Insurance Expansion

The years since the beginning of World War II have seen a steady expansion in most lines of business, and life insurance has followed this general trend. In fact, the increase in new business has been so remarkable that the question naturally arises whether the new level can be maintained. If we compare the total amount paid as premiums in Canada to all life insurance companies with the total of personal income payments in Canada published by the Dominion Bureau of Statistics we find that the ratio decreased from 5.0% in 1938 to 2.9% in 1945. The necessary figures are not available for 1946 and 1947 but estimates indicate only a slight rise in this ratio. Thus, a much smaller portion of the earnings of Canadians is now put into life insurance than was the case before the war. Higher income taxes and the placing of savings in government securities may account largely for the decrease. It seems to indicate, however, that life insurance is not in advance of, but perhaps a little behind, the general expansion; the increase in population, the large number of new families and the rise in the cost of living, all create new needs for insurance protection. The total face amount of assurance in force in 1945 was only equivalent to personal income payments for one year and one month.

In our Group Accident and Sickness Branch the Company has Free Surplus of $188,614, and a Contingency Fund of $225,000. The results of operations have continued to be satisfactory.

Staff

Employees on the Company's staff total 1,560, of which 456 are at Head Office; 428 comprise Branch Office staff; and there are 676 Branch Managers, Assistants and full-time Agents. We have in addition 327 part-time Agents. As with other institutions of like character, it has been found difficult to obtain the necessary help and some Departments of our business have been understaffed. Nevertheless the Company's work has been performed remarkably well, and I would like to express my sincere appreciation to all those connected with the Company for their loyalty and services during the past year. Our Field, Branch Office and Head Office staffs are of high character, and I am saitsfied are quite capable of building up and maintaining the services which are so important to the successful conduct of the Company.

THE MUTUAL LIFE
Assurance Company
OF CANADA

HEAD OFFICE: WATERLOO, ONTARIO

78th ANNUAL STATEMENT

Year ended December 31, 1947

INCOME		
Premiums for Assurances	$24,944,034.97	
Consideration for Annuities	2,086,200.86	
Interest, Dividends and Rents (after provision for possible future losses)	10,883,673.45	
Consideration for Settlement Annuities arising out of assurance policies	1,093,832.21	
Policy Proceeds, Dividends and Other Amounts left with the Company	6,218,627.62	
Net Profit on Sale of Ledger Assets (after applying $2,186,653.95 to reduce book value of securities to stabilize future interest yields)	237,629.29	
		$45,463,998.40
EXPENDITURES		
Death and Disability Claims	$ 6,665,989.13	
Matured Endowments and Surrender Values	4,975,064.96	
Annuity Payments	469,155.66	
Policy Proceeds, Dividends on Deposit and Other Amounts Withdrawn	4,747,443.60	
General Expenses and Taxes	5,897,254.65	
Amount written off Head Office Premises	50,393.38	
	$22,805,301.38	
Increase in Policy and Staff Pension Reserves and Amounts on Deposit with the Company	17,226,256.85	
		$40,031,558.23
SURPLUS EARNINGS FOR YEAR		$ 5,432,440.17
Deduct:		
Dividends Paid or Allotted to Policyholders	4,194,200.09	
Increase in Provision for Dividends payable in subsequent year	250,000.00	
		$ 4,444,200.09
TRANSFERRED TO UNASSIGNED CONTINGENCY FUND		$ 988,240.08

LOUIS L. LANG, *President*

W. H. SOMERVILLE, *Vice-President and General Manager*

FEATURES OF 1947 PROGRESS

New Assurances Paid for in 1947	$109,042,828
Total Assurances in Force on December 31, 1947	937,404,062
Total Assets	305,233,411
Total Payments to Policyholders and Beneficiaries	16,304,410

SERVICE TO INVESTORS

Among the services which we provide our clients are the following:

1. MONTHLY BOOKLET "INVESTMENTS".
2. TRUSTEE INVESTMENTS (Booklet).
3. QUARTERLY CANADIAN REVIEW.
4. CANADIAN GOVERNMENT LOANS HANDBOOK FOR INVESTORS AND DEALERS IN CANADIAN BONDS.
5. SECURITY RECORD BOOKLET.
6. ANALYSIS OF SECURITY HOLDINGS.
7. STATISTICAL DEPARTMENT.

Investors are invited to avail themselves of any of our services, and to call upon us for recommendations regarding the purchase or sale of securities.

LISTED STOCKS

Buying and Selling Orders accepted for execution at regular rates of commission on the Toronto, Montreal and New York stock exchanges.

DOMINION SECURITIES CORPN. LIMITED

Underwriters and Distributors of Investment Securities Since 1901

TORONTO MONTREAL OTTAWA WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
LONDON HAMILTON KITCHENER QUEBEC HALIFAX SAINT JOHN

ONTARIO LOAN AND DEBENTURE CO.

LONDON, CANADA
Established 1870

Mortgage Loans for Building or Buying Homes.
Convenient monthly payment mortgage plans.

EXPORT SALES AGENTS

EXPERIENCE COUNTS!

EXPORT BUYING AGENTS

CAN YOU HELP US?

For over a quarter of a century our Executives have been engaged solely in Export Trade.

They have built up a world-wide organization of experienced resident Sales Agents, which is "Second to None"!

THUS, despite import restrictions and present Dollar shortages, we still enjoy a good volume of export business, because our agents are old established and "know the ropes"!

WE CAN HELP YOU TOO!

Write for details of our complete Export Service or come and talk it over with us.

AUTOMOTIVE & GENERAL EXPORT CO. LTD.
10-12 St. Patrick St., Toronto 2b, Ont.

WE HAVE DEFINITE ORDERS AND ENQUIRIES ON HAND FOR A WIDE RANGE OF ARTICLES, for Export Shipment, including:

Corrugated Iron Sheets
Stranded Steel Wire Rope
All articles for Agriculture, i.e.:
Farm Implements and Machines
Animal Foodstuffs
Poultry Farm Equipment
Poultry Food
Bee Keepers Supplies
Automotive Parts and Equipment
Mechanics Tools and Machine Tools
Garage Equipment
Aluminum Cooking Utensils
Building Materials
Lumber
Ladies & Mens' Handkerchiefs
Nylon Stockings

Watch This Space for Further Enquiries.

JOHN FURMINGER EXPORT COMPANY
10-12 St. Patrick St., Toronto 2, Ont.
Established 1929

Crown Trust Company

CAPITAL FULLY PAID $1,267,500
RESERVE AND UNDIVIDED PROFITS $609,787

Summary of Affairs as at 31st December, 1947

BOARD OF DIRECTORS

President
Arthur F. White

Vice-Presidents
Col. The Hon. H.A. Bruce M.D., F.R.C.S. (Eng.)
H. A. Howard
John A. McDougald
Irving P. Rexford
R. W. Steele

Directors
W. M. Archibald
R. C. Berkinshaw, C.B.E.
Lt.-Col. Gerald W. Birks, O.B.E.
Hon. G. P. Campbell, K.C.
Christie T. Clark
F. J. Crawford
W. A. Eden
F. Wilson Fairman
P. C. Finlay, K.C.
H. Jasper Humphrey, O.B.E.
J. A. Mann, K.C.
Gordon W. Nicholson
Lt.-Col. W. P. O'Brien
W. E. Phillips, C.B.E.
Stuart Playfair
Major-General Jas. G. Ross, C.M.G.
W. Ralph Salter, K.C.
Major Edmund Sweet, K.C.
Arnold Wainwright, K.C.
Percy R. Walters
R. W. Ward
E. Gordon Wills
Arthur B. Wood

General Managers
Irving P. Rexford
H. A. Howard

SHAREHOLDERS' CAPITAL AND SURPLUS invested in:

Office Premises	$ 480,089.79
Mortgages, Agreements For Sale	264,241.15
Bonds, Stocks, Debentures	886,097.88
Loans on Stocks, Bonds, etc.	62,237.13
Advances to Estates	109,383.19
Cash and Other Assets *(Less Current Liabilities)*	75,238.00
	$ 1,877,287.14

SAVINGS AND TERM DEPOSITS invested in the following securities:

Mortgages, Agreements For Sale	$ 5,894,904.25
Bonds, Stocks, Debentures	5,966,436.79
Loans on Bonds, etc.	537,899.23
Cash	311,774.13
	$12,711,014.40

ASSETS OF ESTATES, TRUSTS AND AGENCIES under administration by the Company - - - - - - $80,003,149.33

Copy of Annual Report Supplied upon request

Head Office: 302 BAY STREET, TORONTO

MONTREAL TORONTO BRANTFORD WINDSOR WINNIPEG CALGARY

Ad-men Find Their Cure For Billboard Scenic Rash

"Gentlemen's Agreement" With Ontario Govt. on Rules for Installation of Highway Signs, Limit Size to 40 Sq. Ft.

By WALLACE GILLESPIE

If motorists notice more scenery and fewer signboards around the Ontario countryside when they venture forth again next Spring, they can give their thanks directly to a group of national advertisers and indirectly to the Provincial Department of Highways.

There's a "clean up" currently under way. It's being carried out voluntarily by the people who erect highway signboards — soft drink manufacturers, oil companies, tobacco firms, automotive suppliers, etc. The shadow of the Provincial Government is nevertheless much in the picture.

Here's what happened. Last fall the Highways Department announced a set of regulations governing highway signboards (The Financial Post, Oct. 11, 1947). National advertisers studied them, and some felt they'd be pretty hard hit. They decided to form a committee on sign legislation, under the auspices of the Association of Canadian Advertisers. They agreed they wouldn't approach the provincial authorities in fight mood; rather they'd offer "self-regulation within the industry" as an alternative to Government supervision.

This approach was successful. The ACA set up the sign legislation committee under the chairmanship of Athol McQuarrie. There have been meetings with provincial authorities. These meetings have not brought about any change in the regulations themselves. They have, however, produced a "gentleman's agreement" under which the industry has been given the chance to tackle its own clean-up job.

Enquiries this week show greater harmony between the national advertisers and the department than existed last October. An ACA official explains: "Presumably, upon the success of our attempt at self-regulation, will depend any future government action." A Government official says: "There's been a real improvement in the signboard situation in some areas of the province."

Originally the Government proposed to enforce its new regulations from Jan. 1 on. Not all signboards in the province are yet up to the standard set in the "gentleman's agreement," but, in view of progress already made through voluntary effort, the Government is showing no inclination to wield the big stick.

What Ontario does in signboard regulations is considered important from a national standpoint. This is so, not only because Ontario is the most populous province, but also because it was among the first of the provinces to introduce signboard control. All the other provinces except Nova Scotia have regulations which are "more or less" similar to those in Ontario. Nova Scotia bans signboards along provincial highways.

Ontario's "jacking up" follows a period of relative quiescence since 1934 when the regulations were reviewed before. In the meantime, one advertiser explains, a new generation of advertising people has arisen to executive position. Prior to last fall, some of them weren't fully aware of where they could or could not place signboards.

Four Conditions

The current clean up is aimed at bringing highway signboards in line with the following provisions of the "gentleman's agreement":

Advertisers are permitted to use two single-faced standard signs of metal, fibre, wood, etc., on a building or on posts adjacent to a building where the advertised product is sold. These signs must face in different directions.

Flange, ridge, or any other double-faced signs must be on private property, not on the right-of-way (including curb or sidewalk).

No standard sign shall exceed 40 sq. ft. No advertisement may be painted on a building, but a detachable painted sign may be used on a building if the product is sold therein. Other buildings are "out of bounds," along with trees, fences, barns, sharp curves, etc.

The advertiser must also guarantee to keep his signs neat, symmetrical, and always in tip-top condition.

Before and since this "gentleman's agreement" was reached, the ACA committee has been in touch with around 200 firms who used signs along Ontario highways. Primarily, these firms are manufacturers who erect their own signs out on the highway.

In contrast, the "poster industry" has been little affected. The latter are the people who own signboards and rent out space on them to advertisers, the 24-sheet poster being the common type. These appear chiefly in or near towns and cities. The Poster Association of Canada, for example, does not embrace highway advertisers.

'Peg Electric Lets Contract

From Our Own Correspondent

WINNIPEG — The Winnipeg Electric Co. has let a contract for $1,250,000 to the Raynor Construction Co. for the super-structure for its hydro-electric plant addition at Seven Sisters Falls on the Winnipeg River.

Completion of the super-structure will be followed as quickly as possible by installation of generators which will bring the ultimate capacity of the site to 225,000 hp, the largest hydro-electric plant in western Canada.

President W. H. Carter said the contract was part of the $10, million development program now under way. The addition to the Seven Sisters plant is expected to take care of normal increases in power demands until 1952, after which new sources of supply will involve a much heavier program of capital expenditures.

The company's development program involves a $7 million outlay for new installations at Seven Sisters with a new transmission line to deliver the power to Winnipeg substations; and $3 millions for modernization and expansion of its street railway system in Winnipeg.

There will be no new bond or stock issues to finance the program. Provision for it is being made from deferred maintenance and depreciation reserves. In March, 1946, shareholders of the company at a special general meeting authorized a $35 million issue of new bonds for re-financing purposes and which is saving the company $729,000 a year in interest charges. Of this sum $28 millions were issued. The other $7 millions has not been issued nor will it need to be for the company's expansion program.

One of the new units being added to the Seven Sisters plant will be generating power in May, 1949, the other in May, 1950. Each has a rated horsepower capacity of 37,500.

Balsam Shingles Rival B. C. Cedar In Saskatchewan

REGINA — The CCF Government is experimentally producing shingles from Saskatchewan-grown balsam fir, in a number of northern sawmills; and plans to market them if tests are successful. The balsam used, was previously considered a weed, and was never utilized for industrial purposes.

Resources Minister J. L. Phelps declares himself convinced the new shingles can be produced at half the cost of B. C. cedar shingles, the variety most widely used here.

"Our present experiments," he said, "although confined to department field buildings have shown that the balsam will stand up against the weather, and at the same time take oils and paint as well as British Columbia cedar."

IS TORONTO "THE CITY" TO YOU?

IF YOU ARE a Toronto person, you quite likely refer to Toronto as "the City" . . . but very few people who live outside Toronto refer to it as "the City." These people have their OWN cities . . . Kitchener, Brantford, Fort William, North Bay, Timmins, or some other. Their FIRST interest lies in the city in which they live or which is closest to them. To some Toronto may be SECOND, or THIRD, but is NEVER FIRST.

Toronto people who, when away from home, refer to Toronto as "the city" can be very irritating to citizens of other cities. But worse still, this habit betrays a state of mind which causes many Toronto-located sales or advertising managers to forget the fact that there are over twenty IMPORTANT smaller cities in Ontario — and that together these cities form a much more important MARKET than Toronto and its environs.

This market CAN'T BE REACHED by advertising in Toronto or other metropolitan dailies or through "national media." IT CAN ONLY BE REACHED ADEQUATELY BY USING LOCAL DAILY NEWSPAPERS. They, ALONE, give MASS coverage of this growing, prosperous market.

We know that it takes more money to reach ALL THE PEOPLE of Ontario's smaller cities than to reach just a few of them. The real question is: Are you going to let a few cents or a few dollars stand in the way of PROFITABLE SALES in the cities listed below?

It is important to remember that too much THEORY can curtail sales. It may be excellent IN THEORY to keep your advertising costs below an arbitrary milline rate. BUT THERE ISN'T A SALES MANAGER LIVING WHO DOESN'T WANT VOLUME SALES BEFORE HE WANTS A THEORETICALLY CORRECT ADVERTISING BUDGET.

If YOU, Mr. Salesmanager or Mr. Agency Executive, would like really to KNOW about Ontario's smaller cities, we will gladly give you the facts about them and the market they offer you. The facts will startle you!

ONTARIO *Provincial* DAILIES

BELLEVILLE: The Ontario Intelligencer
BRANTFORD: The Expositor
BROCKVILLE: The Recorder & Times
CHATHAM: The News
CORNWALL: The Standard-Freeholder
FORT WILLIAM: The Times-Journal
GALT: The Reporter
GUELPH: The Mercury
KINGSTON: The Whig-Standard
KIRKLAND LAKE: Northern Daily News
KITCHENER: The Record
NIAGARA FALLS: The Review
NORTH BAY: The Nugget
OSHAWA: The Times-Gazette
OWEN SOUND: The Sun-Times
PETERBOROUGH: The Examiner
PORT ARTHUR: The News-Chronicle
ST. CATHARINES: The Standard
ST. THOMAS: The Times-Journal
SARNIA: The Canadian Observer
SAULT STE. MARIE: The Star
STRATFORD: The Beacon-Herald
SUDBURY: The Star
TIMMINS: The Daily Press
WOODSTOCK: The Sentinel-Review
WELLAND: PORT COLBORNE The Tribune

TOTAL CIRCULATION: 268,843

Request of Ontario's Cities Points Up Financial Problem

The problems faced by municipalities all across Canada were brought to the fore last week by a submission to the Government of Ontario by the Association of Ontario Mayors and Reeves. Its purpose was to obtain greater financial assistance.

Three "great burdens" placed on municipalities during this modern era, the Association states, are:

(1) The costs of social services of all kinds.

(2) The cost of roadway development and maintenance.

(3) The growth of exemptions from municipal taxation for an increasing number of properties.

Following its meeting with the Ontario Government the executive of the Association decided to go to Ottawa, if an appointment could be arranged with the Federal Government, to press for renewal of conferences between representatives of the Dominion and of the provinces.

Ontario Premier George Drew stated that unless efforts to resume the talks at Ottawa succeed before opening of the Ontario Legislature, Mar. 3, he will set up a special committee to study the whole tax structure.

Here is what the association submitted on these problems:

Social Services

The economic depression which began in 1929 brought to this country for the first time, to a major extent, the problem of providing for social services. Prior to that time there had been periods of distress which had been relieved by the development of natural resources and by the temporary industrial needs of the first Great War.

It may be said that this is the first period on which the problems of social services mounted to such an extent that they have become problems which have affected the financial resources of municipalities to an extent which has caused an increasing sum of municipal taxation to be devoted to their support with a corresponding proportionate decrease to those services which are properly services to the municipal taxpayers.

Studies of the need for social services over the years prior to 1930 suggest that in good times there was a percentage of from four to five of the wage earners out of work, increasing by seasonal unemployment of about ten per cent. In the experience prior to 1930 this represented a normal state of affairs. An emergency condition commenced from the period of 1930, reaching its peak in the years 1931 to 1935, and continued until the years prior to the Second Great War when the problem of unemployment was alleviated by the demands for war production of various kinds.

In the three-year period, 1944, 1945 and 1946, a gross sum of over $25 millions, approximately, excluding municipal capital grants to hospitals, was paid out by all Ontario municipalities in social services. In regard to social services, other than unemployment relief, the costs increased by approximately one-half in this three-year period, as indicated in the following statement:

Year	Social Service Hospital and Miscellaneous	Unemploy't Relief
1944	$4,136,901	$3,192,704
1945	5,247,200	2,969,492
1946	6,120,564	3,389,359
	15,504,665	9,551,555

The total cost for this three-year period is $25,062,020.

After full study of the effect of social services upon the municipal financial resources in this modern era, this Association submits that these costs have been one of the three factors contributing to the burden on the municipal taxpayers for services not properly municipal services and, therefore, requests that municipalities be relieved entirely of these costs.

Suggestions for New Revenue

The Minister of Finance for Canada having recently announced that it was the intention of the Federal Government to relinquish the amusement tax, this Association strongly urges that the Provincial Government assume the amusement tax for the purpose of raising revenues to offset the costs of social services in direct benefit to municipalities. This amusement tax, it is suggested, could be designated as hospital and relief tax. It is believed by this Association that this source would be a logical means of raising additional funds for such services and would be a means of implementing, in part, the request of this Association that municipalities be relieved of all costs of social services. In the event of the Provincial Government not assuming the collection of the amusement tax for the purpose indicated, it is requested by this Association that the necessary authority be given to municipalities to collect this tax for the purposes stated.

Development and Costs of Roadways

Another of the three contributory factors which has added a burden of cost to the municipal taxpayers for which this Association is seeking relief is that of the greatly increasing costs of roadway construction and maintenance. This Association submitted last year, for the consideration of the Government of Ontario, a request for a fair share of the gasoline tax and license fees imposed on owners and operators of vehicles of all kinds toward the cost of roadway construction and maintenance. It was pointed out at that time that the development of the use of the automobile since the first Great War was a great example of the municipality making it possible for automobiles, trucks, buses and other vehicles to travel over municipal streets by providing roads, traffic control and other relative services but the taxation imposed on the owners of vehicles goes to the Provincial Government in the form of license fees and the tax on gasoline.

The growth of the use of motor vehicles is indicated in the revenues derived by the Province from gasoline tax and motor vehicle licenses. When the gasoline tax came into effect in Ontario in 1925, the revenue for the first fiscal year from this source was under two million dollars. For the fiscal year 1936-37 the amount of revenue derived from this source amounted to over 15 million dollars, and for the fiscal year 1945-6 it amounted to $24,167,450, plus $3,135,724 as a supplement arising out of the Dominion-Provincial agreement. The revenue to the Province from motor vehicle licenses increased from less than $1,000 in 1903 to over 10.5 million dollars in 1937 and was over 9.5 million dollars in 1946.

Again from the experience gained in this modern era, this Association submits that from the first Great War to the present a condition prevailed in which municipalities were required to provide for increasing costs of the facilities for motor transportation but for which no new source of revenue was received, other than that provided by the Highway Improvement Act, 1947, and the bulk of these costs were derived from the municipal taxpayers which again decreases proportionately the services which are properly municipal services and rightfully taxable to the municipal property owners.

In the three-year period, 1944, 1945 and 1946, a net sum of $47,983,302, exclusive of funds derived from debenture issues, was paid out by Ontario Municipalities for public works, highways and streets. These costs increased by approximately one-half in this three-year period as indicated in the following statement:

Year	Amount
1944	$12,939,886
1945	16,131,188
1946	18,912,228

While it is appreciated that a contribution was made by the Province through the Highway Improvement Act, 1947, towards highway costs and maintenance, this Association submits that the contribution so provided is inadequate compensation to the municipalities for the very large costs paid by municipalities in the maintenance of municipal streets and roads and highways through municipalities. It is therefore requested that a more adequate share of the revenues derived by the Province from gasoline tax and automobile license fees be given to the municipalities for the purpose of roadway maintenance and development.

Exemptions of Properties

As an indication of the extent of exemptions of properties from municipal taxation, it is pointed out that in the 28 cities of Ontario, approximately one-quarter of the total assessed value of properties is exempt from municipal taxation, which means that the owners of properties assessed at three-quarters of the total assessment value pay for 100% of the cost of municipal services. The municipal taxpayers not only pay for their own services but are burdened with the cost of municipal services to the properties exempted from taxation, and, in addition, they carry the burden of social services, heavy roadway costs and the cost of other services. The total assessment of properties and businesses in Ontario municipalities is as follows:

Land	$ 594,356,157
Buildings ...	1,046,835,847
Business	234,281,166
Total	$1,875,473,170

The exemptions of the total assessment from municipal taxation for the 28 Ontario cities are as follows:

Land	$142,780,000
Buildings	298,237,000
Total	$440,985,000

It is recommended by this Association that the provisions of the Assessment Act, permitting general exemptions from municipal taxation, be reviewed at the earliest time to determine what properties now exempt should be properly liable for municipal taxation.

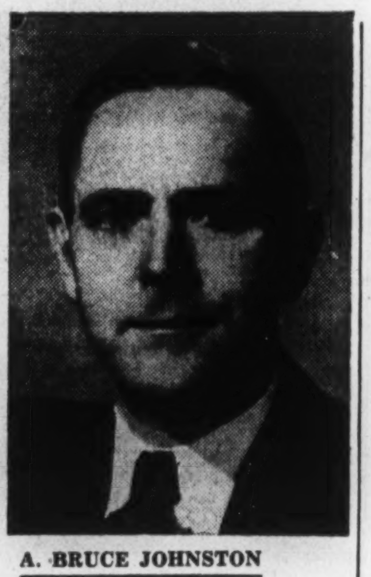
Government Properties Exempt

There is a direct responsibility on the part of the Federal and Provincial Governments for the inequitable burden placed upon the municipal taxpayers for municipal services to properties of the government and their boards, commissions and public utilities, located in municipalities.

If the Federal and Provincial Governments receive taxes from municipal sources to maintain their services, for instance postage, sales tax, gasoline tax, license fees, excise tax, and other taxes, it is not right nor proper that municipalities should not receive a just revenue in the form of municipal taxation for the services rendered to government properties in the form of street lighting, sewage systems, traffic control methods, police and fire protection, street cleaning and refuse collection and street systems and other services. Notwithstanding Section 125 of the British North America Act, which provides that "No lands or property belonging to Canada or any Province shall be liable to taxation," there should be a means by which municipalities would be properly compensated for the services rendered by them to Provincial and Federal and public utility properties.

It is the intention of this Association to make representation to the Federal Government authorities that municipalities shall be compensated for services rendered to properties of that government.

It is requested by this Association, therefore, that the Provincial Government be requested to establish a right for municipalities to obtain taxes, on the same basis as other taxable properties, on the properties of the government, their boards and commissions and public utilities or that the government give to municipalities the equivalent to the taxation which would be derived by municipalities if such properties were not exempt from municipal taxation.



A. BRUCE JOHNSTON

has been appointed vice-president of J. J. Gibbons Ltd., advertising agency, with which he has been connected for over 20 years.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BILTMORE HATS net profit for the year ended Nov. 30, 1947, was up 46.8%, but previous year's profit of $97,267 was after contingency reserve of $50,000. Sales receded somewhat from the high peak attained in 1946 but the company was able to maintain its high level of net profits. An increase in several items of operating expenditures was experienced during the year. The market for raw materials continues to be unstable, it is stated.

Recent expenditures have been made on modern equipment and it is the company's plan to keep abreast of the latest technical advances in hat making by additional expenditures on new equipment, President John A. Fraser says.

INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net earnings	$300,192	$358,751
Less: Depreciation ..	23,641	20,622
Debenture int.	2,800	3,000
Pension fund	15,889	16,979
Income tax res.▵ ...	115,000	170,883
Cont. res.	......	50,000
Net profit*	142,862	97,267
Less: Cl. A divds.	40,000	16,800
Com. divds.	16,000	34,800
Surplus for year	86,862	45,667
▵Incl. ref. EPT	......	3,167

*Note: Co's. report includes ref. EPT in net profit and surplus for year.

Earnings per Share and Dividend Record:

	1947	1946
Cl. A: Excl. ref. EPT	$3.57	$2.43
Incl. ref. EPT	3.57	2.51
Paid	1.00	0.42
Com.: Excl. ref. EPT	2.57	1.43
Incl. ref. EPT	2.57	1.51
Paid (new)	0.40	0.27
Paid (old)	....	0.30

Note—After participation in 1946, earnings on Cl. A and com. were $1.22 excl., and $1.26 incl. ref. EPT: in 1947, earnings were $1.79.

CONDENSED BALANCE SHEET

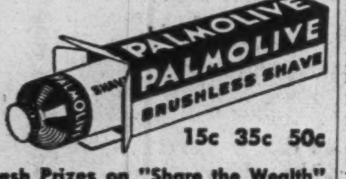
As at Nov. 30:	1947	1946
Cash	$200	$200
Accts. rec.	349,058	378,460
Inventories	609,360	692,711
Total curr. assets ..	958,618	1,071,371
Misc. assets▵	39,724	36,083
Fixed assets*	165,955	149,231
Total assets	1,164,297	1,256,685
Bank adv.	16,358	171,749
Accts. & tax. pay. ..	266,226	291,890
Total curr. liab.	282,584	463,639
Conting. res.	50,000	50,000
Debentures	100,000	100,000
Capital stock	85,475	85,475
Surplus▵	646,238	557,571
*After depr. of	328,235	305,046
▵Incl. ref. EPT	33,587	31,782
Working capital	676,034	607,732

TRIDENT PORCUPINE GOLD MINES No. 1 drill hole has reached a depth of 290 ft. where interesting geological structure was encountered. Core from footage 88 to 95 represents a zone which has been altered somewhat by oxidation and leaching. Light gray greenstone occurs from 95 to 222 ft. and from there on the hole is quartz diabase.

1297 men who tried Palmolive BRUSHLESS for only seven days reported:

√Beards easier to cut — 79%
√Far less razor pull — 75%
√Closer, cleaner shaves — 69%
√Softer, smoother skin — 82%

Palmolive BRUSHLESS Shave Cream makes beards easier to cut, gives smoother, more comfortable shaves to 3 out of 4 men tested. Try it. Get the smoothest, most comfortable shaves ever!



15c 35c 50c

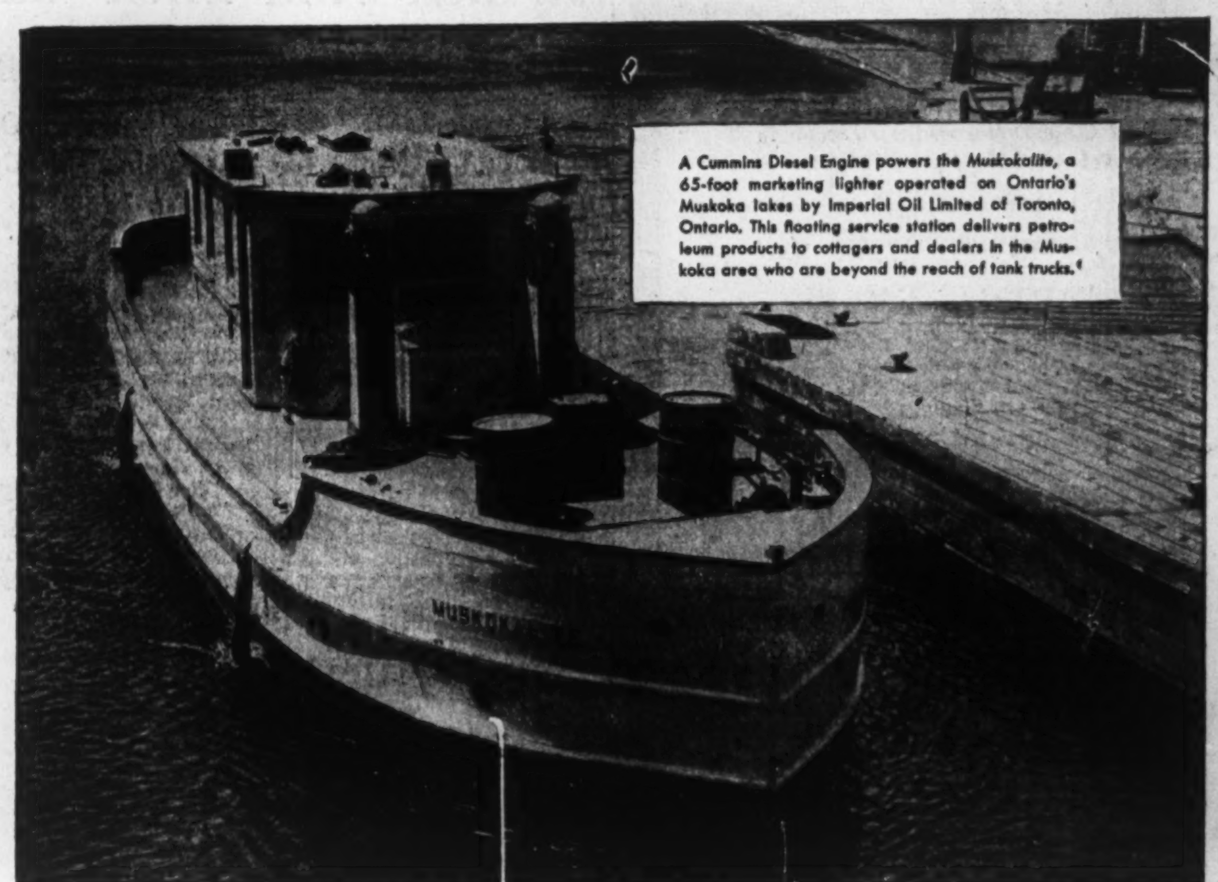
Cash Prizes on "Share the Wealth" Every Sat. Nite — C.B.C. Trans-Canada

ORDER YOUR BOOKS FROM
BURNILL'S BOOKSHOP
100 Yonge Street, Toronto 1
MAIL ORDERS POSTPAID

Shop with us for Your Valentine

SWEATERS — BLOUSES
SCARFS — HANDBAGS — GLOVES
HOSIERY — LINGERIE — HANKIES
PERFUMES

JOAN RIGBY
54 BLOOR STREET WEST
Store, MI. 4969 — Accessory Dept., MI. 7636
Hours: 9 to 5:30, including Saturday.



Proved Versatile by the jobs it handles

CUMMINS Dependable DIESEL

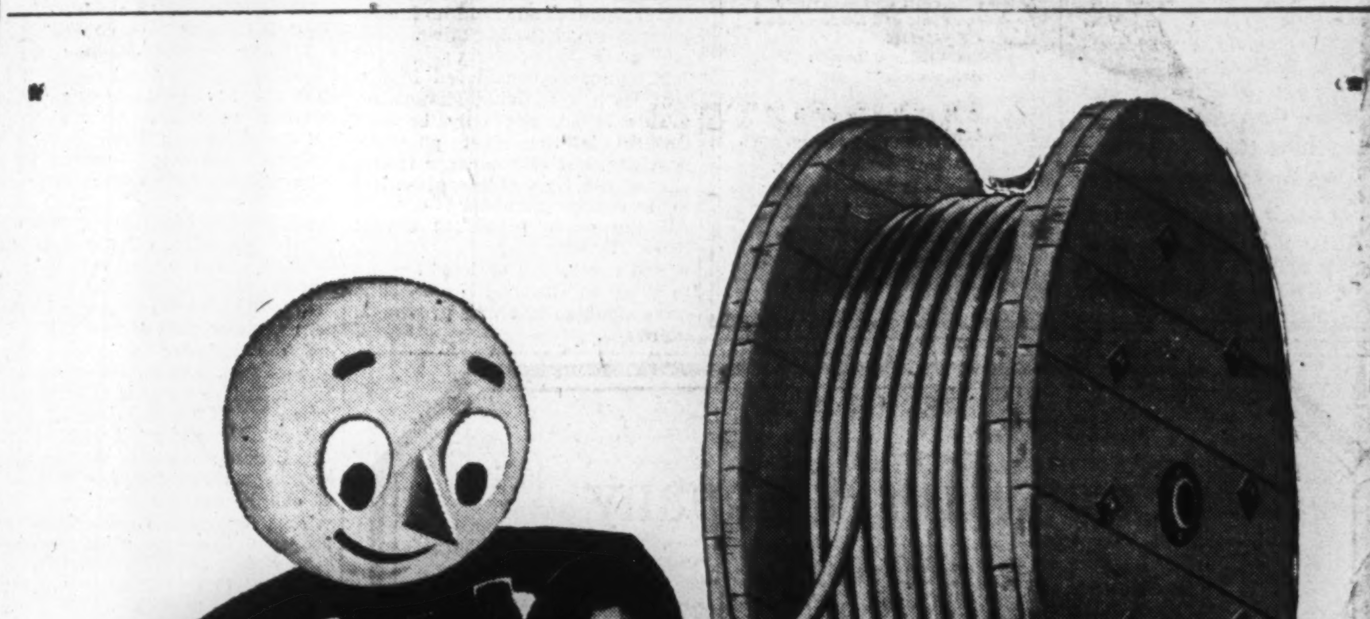
Name your job . . . any job requiring single engines up to 275 hp . . . "multiples" up to 1440 hp . . . and there is a Cummins Diesel designed to perform that job dependably and economically.

The 38 production models within the four basic series of Cummins Diesels . . . models fitted specifically to your varying requirements . . . provide this versatility.

The long list of applications in which Cummins *Dependable* Diesels are establishing performance records daily is proof of their flexibility and versatility . . . is your assurance that they can handle your job more profitably than any other power source in their horsepower range.

Cummins Engine Company, Inc., Columbus, Indiana

RUSSEL-HIPWELL ENGINES, LTD.
Halifax, Nova Scotia — Owen Sound, Ontario — Montreal, Quebec



Safeguarding telephone wires for trouble-free service!

THE WORK of burying telephone wires or placing them in overhead cable continues year after year. Today, over 4 million miles of telephone wires, 95% of our total, are in cable, safer from storms. Service interruptions caused by weather are fewer, and still our constant aim is to provide even better service.

Not only is our service becoming more dependable, but it's growing, too. We are filling orders for telephones just as fast as new equipment is available.

More telephones plus more dependable service — and always at the lowest possible cost — mean greater telephone value for every user.

THE BELL TELEPHONE COMPANY OF CANADA

Pay Off Gov't Debt or Cut Taxes Now?

The Question: Is now the time to pay off Government debt or reduce taxes?

In view of the high level of national income, governments should be reducing debt, in the opinion of representative Canadians polled by The Financial Post. Also, by curtailing expenditures some inflationary pressure would be removed. Opinions differ on tax cuts, some holding that tax reduction would add to the inflationary pressure; another view being that opportunity should be given individuals and companies to save money to be used for future investment.

P. S. BOWER, Assistant General Manager and Treasurer, Great West Life Assurance Co., Winnipeg.

The immediate problem facing our authorities is how best to reduce the inflationary pressures which are forcing prices upward without causing a loss of confidence and a possible recession. At this stage of the business cycle, with buoyant revenues, the government should curtail its expenditures and apply surplus revenue to reduction of the enormously expanded national debt. A reduction of taxes on personal incomes now would increase the amount of spendable funds and add to inflationary pressures. There is need, however, for a change in present tax policies which tend to retard the creation of capital and investment in new enterprises.

• • •

GUY S. CUNLIFFE, Associate Editor, Gazette, Montreal.

Answering your question is like trying to decide which piece of French pastry to take off the tray. Reduction of both debt and taxes is obviously desirable and the present proportions of the government's revenue surplus suggests that a measure of each could probably be accomplished. Debt reduction in itself makes it possible to moderate tax burdens because less revenue is required to meet interest charges on the debt. However, it is rather academic to speculate on the possibility until it is clear whether the indicated federal surplus on current account is going to be offset or even swallowed up by write-offs against export credit advances.

WELLINGTON JEFFERS, Financial Editor, Globe and Mail, Toronto.

Putting more spending income in the hands of the public is inflationary. Tax relief is most effective and helpful when given after prices and production start downhill. Nevertheless I believe that rises in price due to ending of subsidies should have compensatory relief in taxation. Growing production is a much better and more constructive way to counter inflation than taxes. Taxation is a very rough weapon to use for control of the business cycle. Its main function should be to finance the Government in doing its main jobs for the people.

• • •

DR. J. E. LATTIMER, Economist, Macdonald College, St. Anne de Bellevue, Que.

Now is the time to pay off debt rather than reduce taxes. Present boom conditions result from too much money chasing too few goods. Booms based on inflation are illusory and more or less temporary. Unbalanced budgets stimulate inflation reducing purchasing power by maintaining taxation and retiring debt will correct this condition. To me, time to increase public debt is when times are hard and public revenue low which is not now. This general principle is sound, yet the possibility of increasing public revenue by shifting the rate or incidence of taxation should also be considered.

• • •

J. K. MACDONALD, Pres., Confederation Life Association, Toronto.

A period of prosperity with excessive purchasing power seems hardly the appropriate time to reduce taxes unless adequate steps can be taken to ensure that the reduction will not result in additional purchasing power. Otherwise the result is inflationary, increasing the pressure for higher prices.

Any anti-inflationary effects resulting from reduction in Government debt depend on what groups of investors hold the debt. If held by small investors, personal expendable money supply would likely be increased. Reducing debt held by saving institutions would not affect total purchasing power. A reduction in debt held by banks would tend to be anti-inflationary by restricting expansion of bank loans. A period of prosperity seems a logical time to reduce Government indebtedness to banks.

• • •

H. R. MacMILLAN, President, H. R. MacMillan Export Co., Vancouver.

I would be inclined to choose a medium course such as using part of excess taxation to initiate a policy of debt reduction and applying the remainder to lower those taxes such as sales taxes which bear on the largest number of people.

• • •

M. D. McCARTHY, President, Vancouver Stock Exchange, Vancouver.

For the current fiscal year the Dominion Government will show a substantial surplus. In my opinion, the sound course would be to reduce the Government debt as conditions are at present running at a high level and a surplus is available. This debt must be paid off and can only be done during periods of high income due to prosperity when taxes are and should be at their highest level. Tax reduction should only be considered during a time of recession. Then the taxpayers' burden should be the Government's first consideration and the debt a secondary problem.

• • •

HUGH L. McCULLOCH, Pres., Babcock-Wilcox Goldie-McCulloch Ltd., Galt, Ont.

My opinion as between paying off Government debt or reducing taxes would be that it is always good policy to pay off debts, and, while I would like to see both steps taken, I think it is sounder to pay off debts if a choice has to be made between the two. The Government is no different from individuals and should liquidate its debts. Adoption of this policy would have favorable results for Canada as a whole. If tax reductions can be made, consideration should be given to elimination of double taxation on corporation earnings.

• • •

A. F. MUTH, Vice-pres. and Man. Director, Industrial Life Insurance Co., Quebec.

Taxes should be kept around present levels now when employment conditions are excellent and the federal debt should be reduced as quickly as possible. This policy will counteract inflation, put the Government in a position of later defeating a serious depression and also reduce the present heavy interest charges. The federal budget is favorable due to a large extent to the high national income. In case of deflation the Government's income will be reduced severely and there will be a public demand for counterdeflationary measures. The Government will be able to do a good job at that time only if its debt position is very favorable.

• • •

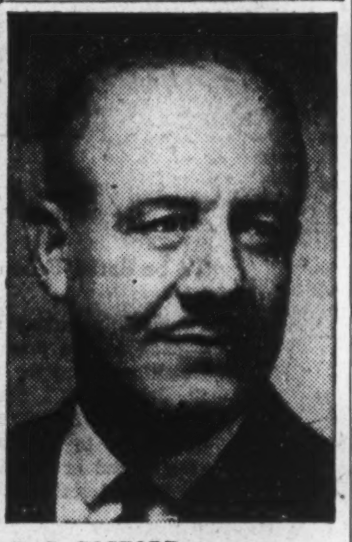
F. E. SINE, Pres., Alberta Lumber Co., Ltd., Calgary, Alta.

Reduction of debt is always desirable and to a certain extent can be accomplished by reduction of tremendous government administrative staffs all over the Dominion and cut out waste. Just as important, in my opinion, is the accumulation of savings by individuals and corporations to provide funds for expansion of business, for building homes, improving farm property, enabling new businesses to start with some foundation for success, for modernizing the mines, the railroads, the manufacturing plants which will require many years and provide full employment for thousands of people. Therefore, I favor reduction of income taxes now.

• • •

DR. CYRIL JAMES, Chancellor, McGill University, Montreal.

Although, like everyone else, I should like to have my tax bill reduced, it seems clear that to reduce the risk of inflation the Government should maintain a reasonably high level of collections from the individual taxpayer even if these take the form of compulsory saving. Personal tax reduction or repayment of bonds in the hands of the public would intensify inflation.



E. J. COSFORD

has been appointed vice-president in charge of sales of Canadian Car & Foundry Co.

Staff Changes

The Bank of Toronto announces the following staff changes:

R. S. WELLS, formerly attached to accountants department at main office, Toronto, to be manager, Queen & Parliament Sts., Toronto.

L. C. E. LAWRENCE, formerly attached to supervisors' department at head office, to be manager, Dundas & Keele Sts., Toronto.

E. R. RIDGWAY, formerly manager, Rocanville, Sask., to be manager, Swan River, Man.

R. O. GUNNING, formerly of main office, Winnipeg, to be manager, Rocanville, Sask.

E. J. MITCELL, formerly accountant, main office, London, Ont., to be assistant manager, of that branch.

H. A. SMITH, formerly assistant accountant, main office, London, Ont., to be accountant at that point.

J. D. MANNING, formerly accountant, Dundas & Roncesvalles, Toronto, transferred to supervisors' department at head office.

R. F. WALLACE, formerly of Church & Wellington Sts., Toronto, to be accountant, Dundas & Roncesvalles, Toronto.

C. J. INGRAM, formerly accountant, Ottawa-South branch, transferred to main office, Montreal.

D. A. MOSS, formerly assistant accountant, Ottawa-South, to be accountant at that branch.

E. R. GILLELAND, formerly accountant, market branch, Hamilton, Ont., transferred to accountants department, main office, Torono.

J. H. SIMPSON, formerly accountant., Yonge & Belsize, Toronto, to be accountant, Market branch, Hamilton.

G. E. WALTON, formerly Yonge & Bedford Park, Toronto, to be accountant, Yonge & Belsize, Toronto.

S. M. FEARN, formerly of Bloor & Bay Sts., Toronto, to be accountant, Bloor & Royal York Rd., Toronto.

A. R. McELROY, formerly accountant, Union Station, Ottawa, transferred to accountants' department, main office, Toronto.

H. R. WARREN, manager, Queen & Parliament, Toronto, and T. W. HARPER, manager, Dundas & Keele, Toronto, retire.

• • •

The Canadian Bank of Commerce announces the following staff changes:

G. W. PILGRIM, formerly accountant, Orangeville, Ont., to be manager, Cannington, Ont.

W. C. LUMSDEN, formerly accountant, Edmonton, Alta., to be assistant manager, Edmonton, Alta.

C. DOBIE, formerly accountant, Georgetown, Ont., to be manager, Milton, Ont.

J. H. MORRIS, formerly an assistant accountant, Vancouver, to be manager, Powell River, B.C.

R. A. EATON, formerly accountant, Grimsby, Ont., to be manager of newly opened branch at Tilbury, Ont.

G. R. CALBECK, formerly manager, Cannington, Ont., to be manager, Uxbridge, Ont.

I. C. DINNING, formerly accountant, Ottawa, Ont., to be manager, Wyandotte St. East, Windsor, Ont.

MORE THAN 75% OF TELETYPE SERVICE IN CANADA IS PROVIDED BY CANADIAN PACIFIC AND CANADIAN NATIONAL TELEGRAPHS

P. W. Teletype is a modern internal hook-up between your departments, branches, factories, warehouses. As a message or order is typed in your offices, it is typed in the offices you wish to reach — and at once! Increased speed and extra accuracy mean greater profits; you'd be surprised at the economy.

To give you reliable, nation-wide service, the combined facilities of Canadian Pacific and Canadian National Telegraphs are at your command.

Ask your local telegraph office for full details.

CANADIAN PACIFIC — PRIVATE WIRE Teletype SERVICE — CANADIAN NATIONAL

POSTERS ARE THEIR OWN BEST "AD"

because...

THEY ARE SO

ECONOMICAL

Effective Poster coverage starts at 34c a day in small towns and up to $15 in the largest centre. For this low cost you get mass coverage, full colour, dominating size, instant impression . . . and 24-hour selling.

Furthermore, each 24-sheet Poster is devoted exclusively to one advertiser at a time.

3A-48

POSTERS ARE ECONOMICAL, TOO

POSTER ADVERTISING ASSOCIATION OF CANADA
80 Richmond Street West - Toronto

No. 6 in a series dealing with Pensions and Profit-Sharing Plans in Canada.

A Pension Plan...
Its Administration is Important

No matter how generous and well-designed your pension plan may be, it will lose its employee-appreciation value if it is not effectively administered. Effective administration will include:

- Interviewing newly eligible employee by a specialist who really understands your plan; one who can answer all the employee's questions and explain the plan to him in such a way that he will appreciate its benefits.
- Periodic consultations with employees to discuss the advisability of making extra contributions to increase their pensions.
- Explaining to each employee before his retirement the optional types of pension available. Don't put the onus on the employee to remember to elect a Guaranteed 10 Year Plan or a Joint and Survivorship Pension to protect his wife. Indigent widows of your retired employees will bring you no credit in the community.
- Sending the employee an annual statement showing him his position in the plan. Tell the employee the accumulated value of his contributions with interest, the accumulated value of your contributions on his behalf, what his beneficiary would receive if he died and the accumulated pension he has earned to date. Don't waste the goodwill value of your plan by postponing the employee's appreciation of it until retirement.

Experienced and *independent* specialists can provide this administrative service for you.

EMPLOYEE BENEFIT PROGRAMMES

Inquiries Invited

WILLIAM M. MERCER LIMITED

TORONTO: 2 Toronto Street, ADelaide 4751

MONTREAL: 2070 Metcalfe St., LAncaster 3741 • VANCOUVER: 520 Seymour St., PAcific 7728

INDEPENDENT *consultants in the development, installation and administration of pension and profit-sharing plans.*

TWA - the fast, comfortable way - to

PARIS

GENEVA BOMBAY
ROME LISBON
ATHENS MADRID

For reservations see your local travel agent or T.W.A. ticket office, Chateau Laurier Hotel.

PHONE
5 - 7281

TWA
U.S.A. - EUROPE - AFRICA - ASIA

THE SAFE ENCLOSURE FOR ALL MESSAGES

BARBER-ELLIS ENVELOPES

A SIZE AND STYLE ... FOR EVERY PURPOSE

BARBER-ELLIS

Drug Trading Executive Appointments

ANDREW GLENNY

KENNETH C. LEGGE

The Board of Directors of Drug Trading Company Limited announce the appointment of Andrew Glenny, Treasurer and Chief Purchasing Agent, as Assistant General Manager, and of Kenneth C. Legge, Advertising Manager, as Executive Assistant to the General Manager.

CONSTRUCTION TRENDS

By CLIVE CHATTOE

Will Building Labor Pour Fuel On Buyers' Resistance Bushfire?

Another round of wage boosts for organized labor in Canada is "more than a possibility," according to private expressions to The Financial Post this week by representative contractors and builders.

So far, there have been no war whoops from either side.

From the TLC-AFL building labor locals there have come recently only ominous rumbles as the cost-of-living index continued to rise. Demands and strategy are still being formulated and won't be laid on the table for several weeks yet.

And you won't catch the average contractor openly predicting higher building wages. He's perparing to give grim battle on the wage-price line in 1948, even though unprepared to bet on his winning.

Hourly wages in union-organized building are already up an average 60% since 1939, and overall building costs at least 110% in the same eight-year period, according to the Canadian Construction Association.

One result has been recent reversal in the postwar rise of residential and industrial building volume, a trend which the industry attributes almost entirely to high costs, and which it sees as containing threat of substantial building recession, with possible dire effect on the level of general business.

That's why the employers—sitting in recent weeks for annual meetings of their national, regional and local construction associations—have come out strongly for renewed industry-wide effort to peg wages and prices and to get productivity per manhour up at least 10% as a starter.

But, in the same inner councils, many are privately expressing "serious concern" over the building labor movement's wage plans and its attitude on productivity. Prospects for inexpensive settlement of the looming March-April wage battle thus appear at the moment far from bright. What is certain is that the coming showdown will make news headlines then and for months to come.

* * *

See Costs, Not Austerity Deciding Volume in '48

Despite an optimistic expression from the recent Canadian Construction Association convention at Quebec on the immediate outlook for building volume, many industry leaders individually express uncertainty. Of a number interviewed by the Post since that national conference, most name costs, rather than Ottawa's new construction import controls, as likely decisive factor.

In January, two months before any but the most preliminary of Canada's "austerity" restrictions had been given effect, weakness showed up in volume of new construction ordered.

High construction costs are mainly blamed for a January contract award total put by MacLean Building Reports at $34 millions, down 23% from a year ago and off fractionally from the month before.

What surprised most in last month's awards was a sudden slump in the engineering category, at $2.5 millions down 83% from a year ago and 50% from the month before. Similarly, in the combined commercial-institutional-public building category, awards reported in January at $10.6 millions were down 40% from a year ago, though only fractionally off from the month before.

What this unexpected first-month weakness in the "business" and engineering categories really means won't become clear until the second quarter, when (a) the building season opens for most of Canada, and (b) Ottawa's capital expansion austerity measures presumably will be fully in force. But it will be remembered that it was those very two categories which gave 1947 construction volume an 8% edge over 1946 despite pronounced weakness on the factory building and a substantial decline in privately sponsored housing.

Industrial awards in January were up 20% from the month before, and down only fractionally from a year ago.

Housing was the only classification higher for both month before and year ago and, though much of the gain was creditable to upsurge in operations under the Dominion-Municipal subsidized rental program, the gain was impressive. The January total at $15 millions was up 15% from the month before and a spanking 300% from a year ago.

But here again it is too soon to look at the unfolding year with anything like enlightenment on what may be ahead. Sensitiveness to high building costs of the industrial and residential categories was amply demonstrated throughout 1947 and it probably won't be until April or May that the volume trend can be studied with any valuable degree of conclusiveness. Any rise meanwhile in building wages and the prices of key materials could sharply hit all building. And what austerity controls will do to commercial and industrial building over and above influence of the cost factor is as yet far from clear.

* * *

CCA Urges New Methods To Cut Small House Cost

One of the most interesting statements made at the recent meeting of the Canadian Construction Association at Quebec was that of its Costs and Efficiency committee which in the past year had focused the industry's attention with more than ordinary closeness on the question of efficiency in low-cost housebuilding.

The committee, headed by J. A. Lapres of Canada Cement, Montreal, quoted Fortune magazine of last August:

"Only major money and modern organization, plus brains, will ever rescue housebuilding.

"Housebuilding is the one great sector of modern society that has remained largely unaffected by the industrial revolution. Recognition of the feudal character of the housing industry is essential for understanding its sorry performance in the past and assessing its chances for improvement in the future."

Then Lapres' committee submitted its own conclusions:

"To reduce costs, there should be improved efficiency on the part of management, greater productivity of labor and a more regular flow of materials.

"Improved methods and new techniques should be adopted and developed—and pooled for the use of the whole industry and country at large—for the good of the families of low income.

"The Canadian Construction Association as a free enterprise organization should take a leading part in whatever research is required to promote efficiency, reduce costs and defeat one of the prime factors in the growth of communism—lack of adequate shelter for low income groups.

"In view of the grave importance of this problem, your committee recommends that its solution be considered one of the major activities of the association; that if deemed advisable and when necessary, competent personnel be engaged to amplify the work of the committee; that the services and studies of the National Research Council be encouraged in every way possible and given practical application by the industry; that efforts be made to co-ordinate all the varied interests—particularly in co-operation with labor—so that this problem may be solved."

It is a good sign for the breadth and responsibility of Canada's construction industry when it thus focuses public attention on one of its less progressive branches. It will be taken at large as a healthy sign of boldness too, for though CCA member contractors have been building less than a tenth of new houses completed in Canada in recent years, member manufacturers have produced just about all the materials and equipment used in housebuilding and for them the talk of "improved methods and new techniques" may have sharp overtones of new materials and new distribution methods as well.

* * *

Find 1 in 5 Homeowners Planning for Plumbing

One Canadian homeowner in five is thinking of making changes or additions to the plumbing system in the home, a recent survey by the Canadian Institute of Plumbing & Heating reveals. One third of those planning changes intend to make them within the next year and another 15% within two years. The rest are indefinite.

Most of the changes are planned by rural homeowners, according to the CIPH—national organization of makers and wholesalers of plumbing and heating equipment and supplies. Two fifths of the rural homeowners planning changes intend to install a bathroom, while 19% plan a basin or sink. Another 15% who have depended until now on carrying water from the well plan to install plumbing.

In the city, more than 43% of those planning changes intend to put in an extra toilet while one in four intend to install a complete bathroom. Other major changes planned by urban and rural homeowners include additional or replaced basins, sinks or bathtubs, hot water equipment, shower, corner piping. A few in the country plan to move existing facilities to more convenient locations in the home.

Can. Food Products Sales, Profits Up

Sales of Canadian Food Products Ltd. in the current fiscal year are running about 10% ahead of the corresponding period of the year ended Nov. 1, 1947, and profits are following in the same proportion, E. P. Taylor, Chairman of the Board, told stockholders at the annual meeting.

Notwithstanding the fine results, 1947 was a difficult year and the current fiscal year would not be any easier, continued Mr. Taylor. Operating conditions varied considerably. The company entered the fiscal year with its costs and selling prices subject to government control. Throughout the year, continued increases were experienced in the costs of ingredients and operating expenses. These were partially compensated for by increases in selling prices, as price ceilings were progressively raised and eventually removed.

New and Refunding Issue

$750,000

Okanagan Telephone Company

3¾% First Mortgage Sinking Fund Bonds, Series "A"

To be dated February 1, 1948 — To mature February 1, 1968

Principal, premium and semi-annual interest (February 1 and August 1) payable in lawful money of Canada at the principal offices of the Company's bankers in Vancouver, Victoria, Calgary, Winnipeg, Hamilton, Toronto, Ottawa, Montreal, Quebec, Saint John, Halifax and Charlottetown, Canada, and St. John's, Nfld. Coupon bonds, denominations $1,000 and $500, registrable as to principal only. Redeemable, as a whole or in part, at the option of the Company at any time on 60 days' notice, at a premium of 3% up to and including January 31, 1953, the premium thereafter decreasing ½ of 1% each three-year period or fraction thereof until January 31, 1967, and thereafter without premium; in each case with accrued interest to the date fixed for redemption.

Trustee: The Canada Trust Company.

In the opinion of counsel these bonds will be legal investments permitted for insurance companies registered under The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended.

CAPITALIZATION
(After giving effect to this financing)

	Authorized	Outstanding
First Mortgage Bonds	$1,500,000	$750,000*
Common Stock (Par Value $100 per Share)	467,400	467,400

*3¾%, Series "A", due 1968. Additional first mortgage bonds may be issued only subject to the restrictive provisions of the Trust Deed.

We offer, as principals, these bonds for delivery if, as and when issued and received by us and subject to prior sale and the approval of counsel of all proceedings.

Price: 100 and accrued interest

It is expected that definitive bonds will be available for delivery on or about February 24, 1948

A copy of the offering circular will be furnished on request.

Royal Securities Corporation Limited — Pemberton & Son Vancouver Limited

If you did the cleaning . . .

You'd be sure to get the most efficient vacuum cleaner on the market.

Perhaps — out of consideration for the person who does your housecleaning — you've already made sure she has the best!

If you did the typing . . .

You'd insist on the best all-round typewriter that ever responded to a typist's touch.

But then — perhaps you've already seen to it that your secretarial staff has Royal Typewriters!

Royals click with everyone!

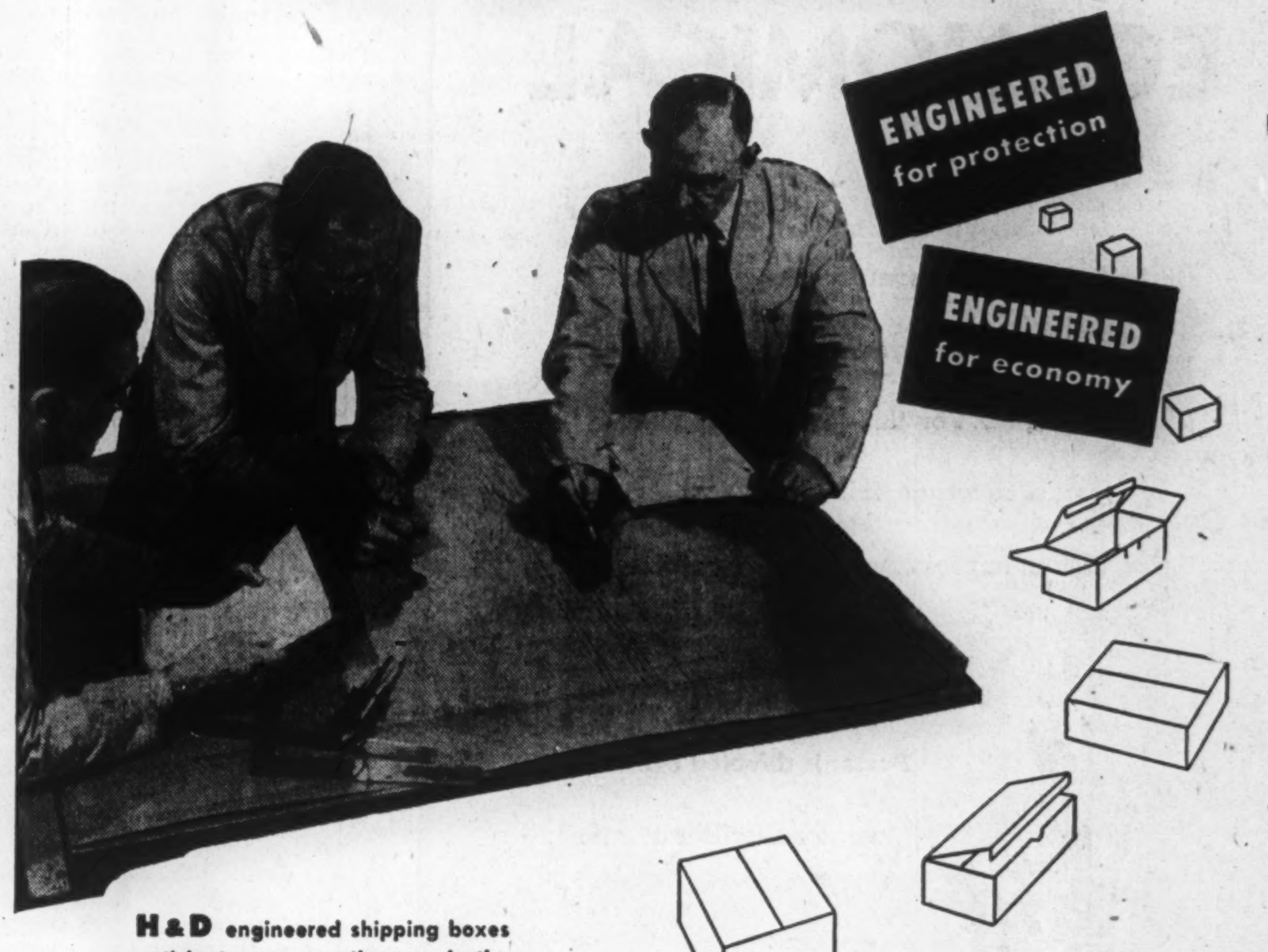
Popularity! More and more girls *who type* prefer Royals. *Your typists* will do more work, better work on machines they prefer to use.

Royal efficiency! There are work-saving, time-saving features on a Royal not found on any other typewriter! Meaning — higher production per machine!

Royal durability! These typewriters are *really* sturdy. Royals stand up . . . spend more time on the job, less time out for repairs. With Royals, you get the maximum return for your typewriter investment.

ROYAL - World's No. 1 Typewriter

H & D BOXES



H&D engineered shipping boxes anticipate every contingency in the movement of a product from manufacturer to consumer. They are structurally engineered for heavy duty service; they meet the specifications of air, rail, highway and water travel. They are inexpensive. They are light in weight. They are easy to store, easy to set up, easy to handle, easy to stack and load.

The H & D Package Laboratory is maintained to help industry improve shipping and packaging methods—to lower distribution costs. Consult the H & D Package Laboratory on ALL packaging problems.

HINDE & DAUCH

Authority On Packaging

Hinde & Dauch Paper Company of Canada, Ltd.
GENERAL OFFICES, TORONTO
MILLS AND FACTORIES IN TORONTO, TRENTON AND MONTREAL

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

One-ton Wheelbarrow

Michigan-made wheelbarrow, capable of carrying a one-ton load at speeds up to 15 mph, can be used for scaffold or second and third story work since it weighs only 1,000 lb. Steering is done by a single tail wheel, permitting easy manoeuvring. Power is supplied by 6-hp air-cooled engine, featuring four-speed transmission and reverse.

• • •

Aluminum Building

"Alumni-Drome" is all-aluminum building designed for service as machine shop, warehouse, garage, etc. Standard size is 36 x 60 ft., but it employs 6-ft. sections which allow length to be varied as desired. Longitudinal members lock into arches to form a rigid structural framework, explains Kentucky manufacturer.

• • •

Materials Stacker

Massachusetts firm announces new materials handling unit known as "Jack Stacker," said to be especially desirable where there are narrow aisles, congested areas, freight car loading and unloading, or where floor and elevator capacities prohibit use of fork trucks or heavy equipment. The unit, with capacities up to 4,000 lb., is available in four models: counter-weighted, for double-faced pallets; straddle type, also for double-faced pallets; open-end base with lifting arms for handling single-faced pallets; and platform type for skid platforms.

• • •

Weighs Material Flow

New method of metering flow of materials by weight uses diaphragms, instead of knife-edge, scale beam principle; said to provide much simpler installation, eliminating bulky overhead framework, etc. Applications: continuous weighing, controlling, and proportioning of dry materials, as well as controlling liquids to be added in proportion to flow of dry materials.

• • •

Soap Dispenser

Container of soap dispenser rocks back and forth when soap is withdrawn; agitates contents and prevents caking or clogging. Equipment will dispense powdered, beaded, or pumice soap; will not deliver steady flow of powder.

• • •

Mine Safety

Major advance in drive to eliminate disastrous mine explosions is an "electrical watchdog" system, consisting of electric circuit breakers and relays housed in an explosion-proof jacket. This snuffs out short-circuit sparks by instantly cutting off power when danger of a short circuit is detected or a machinery fault develops. Made in United States.

• • •

Fastens Wall Fixtures

New adhesive which allows wall fixtures to be mounted without bolts and screws is said to have a shear strength of 136.1 lb. per sq. in. Material comes in dry form; is moistened with a solvent and applied to back of fixture; needs only be pressed against a wall 30 seconds to produce permanent attachment. New York maker says adhesive is waterproof and greaseproof.

• • •

X-rays Thickness

X-ray thickness gauge claims to be first instrument capable of automatic and continuous measurement of thickness of a moving strip of red-hot steel without physically contacting the steel in any way. U. S. maker says instrument may also find use in rolling aluminum, brass, or plastics.

• • •

Excess Smoke Indicator

Massachusetts-made instrument gives continuous indication to boiler room of the condition of gases passing through flue, signalling when either smoke or air is sufficiently excessive to cause inefficient combustion or create smoke nuisance. Designed for factories, hotels, hospitals, universities, utilities, etc.

• • •

Nonspill Battery

Nonspill aircraft battery, now in volume production in the United States, has been approved by the Civil Aeronautics Administration for installation without enclosed battery boxes or compartments, heretofore required on all civil aircraft. The battery — available in 25 amp-hr capacity for small planes with engines up to 185 hp and in 36 amp.-hr capacity for larger planes — is made spill-proof by means of a patented vent manifolding device.

• • •

'Customized' Compressors

New "customized" reciprocating compressors, designed for either air condition or low temperature duties, can be assembled in more than 1,000 different combinations, making it possible to "custom-tailor" each complete unit to fit the exact requirements of each installation. U. S. maker says compressors operate at higher speeds, and are about half the size and weight of their predecessors.

• • •

Portable Engine

Aluminum vertical shaft gasoline engine weighs only 16 lb., yet develops a full horsepower. Wisconsin maker says this portable unit is ideally suited for application on rotary-type lawnmowers, pumps, portable milking machines, small boats, compressors, generators, etc. Dimensions: 8½ x 10½ x 14 in.

• • •

Quiet Ventilator

Chicago firms states its ventilating unit is almost completely noiseless and free of vibration and distortion. These qualities are said to result from design of the blade, plus acoustical qualities of bakelite, of which it is made.

• • •

Measures Engine Wear

"Power Recorder" provides a measurement of total engine wear by recording the cumulative power-hours turned out by an engine. U. S. maker says device promises to be of real value to all commercial airlines for determining time for servicing of engine; also has many industrial uses, such as on gas engines of earth-moving equipment. Two types developed: one with a flexible shaft connection to the engine tachometer; the other a remote operations type which is electrically driven by a generator mounted on the engine tachometer outlet.

• • •

Tube Cutter

Philadelphia maker says reaming is unnecessary when new tube cutter is used. Unit operates by hand, not screw pressure; automatically adjusts itself to one-quarter and three-quarter-inch tubing; cuts dented tubing as well as perfectly round tubing, eliminating use of a hacksaw.

• • •

Typist's Copyholder

New York-made device holds a typist's shorthand notes and all other copy work, including sheets up to 36 in. wide, in an easy-to-see eye-level position just above the typewriter carriage. Semi-automatic metal finger points out the exact reading place one line at a time, this assuring greater accuracy. Maker says this nimble third "hand" saves 25% to 50% in typing time; also reduces eyestrain and nervous fatigue.

• • •

Musical Trolley Bus

Passengers on Kansas City trolley buses may soon listen to programs of recorded music, interspersed with announcements of safety news, civic events, and bus information; no "commercials."

• • •

Ads in Taxis

New York firm is testing a new advertising device in taxicabs of a Pennsylvania town. "Tell-A-Tale" machine is installed directly over back of driver's seat. Advertising messages of about 60 letter spaces each, move across a lighted panel whenever the cab motor or meter is running.

COMPANY REPORTS

HARDING CARPETS net profit for the year ended Oct. 31, 1947, was up 60.3%. Consolidated sales represented highest dollar volume in the company's history and the outlook for sales in both carpets and worsted yarns appears to be very good, President John S. Dickson states. There is a strong demand for both products, and they are still being sold on a ration or quota basis, it is said.

There is a serious shortage of carpet wools in the world today and such as are available are being offered at prices much higher than those prevailing a year ago. Fine worsted tops have increased greatly in price but are becoming more readily available. With the new equipment and an improvement in the supply of skilled labor, it is hoped that production will be increased in the current year, it is stated.

Capital expenditure in the two plants during the year was $123,000. An expenditure of at least $325,000 is expected this year, for modernization of present equipment, new machinery, etc.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1947	1946
Net earnings	$944,396	$438,355
Less: Depreciation	113,315	95,019
Int. on deb.	14,668	16,455
Inventory res.	148,667	14,581
Prov. for taxes‡	381,889	134,000
Net profit†	285,857	178,300
Less: Dividends	150,283	69,361
Surplus for year	135,574	108,939
‡Incl. ref. EPT	......	1,100

†Note—Co's. report includes ref. EPT in net profit and surplus for year.

Earnings per Share and Dividend Record:		
Com.: Excl. ref. EPT	$1.24	$0.77
Incl. ref. EPT	1.24	0.78
Paid	0.65	0.30

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1947	1946
Cash & Dom. bds.	$159,893	$4,250
Accts. rec.	537,254	427,369
Inventories	1,830,212	1,669,489
Total curr. assets	2,527,359	2,101,108
Inv. at cost. less w/o	15,275	94,140
Misc. assets▲	169,326	156,275
Fixed assets*	1,100,680	1,091,476
Total assets	3,812,640	3,442,999
Bank loans	......	249,087
Accts. & tax. pay., etc.	572,394	295,709
Debentures due	21,000	20,500
Total curr. liab.	593,394	565,296
Inventory res.	503,050	354,384
Funded debt	367,000	388,500
Capital stock	1,069,542	1,069,542
Capital surplus	279,396	279,396
Earned surplus▲	1,000,258	785,881
*After depr. of	1,684,239	1,592,605
▲Incl. ref. EPT	76,090	78,015
Working capital	1,933,965	1,535,812

COUNTY OF YORK, Ont., balanced its budget in 1947 for the 15th consecutive year, Treasurer W. W. Gardhouse points out. Surplus for 1947 was $33,018. During the 15-year period, the net debenture debt has been reduced about $1.1 millions Debentures outstanding in the hands of the public amounted to $333,000 at Dec. 31, 1947. All 1947 levies were paid in full with no arrears outstanding, Mr. Gardhouse states.

The Huron & Erie Mortgage Corporation
The Canada Trust Company

Head Office — London, Ont.

Results for 1947

The Huron & Erie

"Older than the Dominion of Canada"

	1946	1947
Deposits in Savings Department	$21,900,000	$24,000,000
Invested by public in our Debentures	19,400,000	18,900,000
Dominion of Canada and Provincial Bonds owned	20,500,000	20,300,000
Net Profits	353,000	395,000
Paid-in Capital and Reserve	7,000,000	7,100,000
Total Assets	48,800,000	50,500,000

The Canada Trust

"Friendly and Efficient"

	1946	1947
Estate, trust and agency assets under administration	$36,100,000	$92,500,000
Funds invested by public in Guaranteed Deposit and Trust Certificates	7,940,000	13,200,000
Net Profits	87,500	105,000
Paid-in Capital and Reserve	1,700,000	1,700,000
Total Assets	45,800,000	107,800,000

The Huron & Erie's report again shows the sound position which directors and management have endeavored to maintain since the business was started in 1864. Continued growth in number of depositors is evidence of public esteem, while the amount of deposits reflects the present state of prosperity.

The figures above relating to The Canada Trust Company reflect the merger with The London & Western Trusts Company at the beginning of 1947. The merging of the two organizations was accomplished smoothly and it is expected that in the future, as in the past, the public response to friendly and efficient service will be gratifying.

Combined assets of these institutions now total over $158,000,000

Branches in 6 provinces: London, Chatham, Toronto, Winnipeg, Hamilton, Regina, Montreal, Edmonton, Windsor, Vancouver, St. Thomas, Victoria

SANTIAGO MINES reports that Ramsen Financial Corp. has agreed to buy 100,000 shares at 12 cents and 100,000 shares at 12½ cents and has optioned 800,0000 shares at 13 to 30 cents a share. The optioned stock comprises 240,000 shares remaining in the treasury and 560,000 shares of a proposed capital increase of two million shares.

CONSOLIDATED HOMESTEAD OIL CO. has granted a three months' extension to Owen Investors on Jan. 2 option installment on 400,000 shares at 15 cents. All other payments have been extended accordingly.

CENTREMAQUE GOLD MINES reports following elected at annual meeting: Alex Simpson, president; Jules Dupre, vice-president and treasurer; Robert A. Simpson, secretary; Gerald McTeigue, director.

ALBERT MINES HOLDING CO. has received permission for winding-up of company under New Brunswick laws.

THE WORLD'S FUTURE IS BEING DECIDED NOW GIVE TO THE CANADIAN APPEAL FOR CHILDREN...

OUR TOMORROWS depend on what happens to the world's children TODAY. In ruined lands around the globe there are millions of them in misery—scrambling for shreds of food on garbage dumps, shivering in rags. On the continent of Europe, half the children born since the war are already dead of malnutrition. Those who survive — there and elsewhere — are desperately in need of food and clothing. They need schooling, too, for their neglected minds grow as sick as their withered bodies . . .

"They are the future
If they are not saved, our world is lost"

Canadian Appeal for Children commences its campaign on February 9th to meet the challenge of these desperate and immediate needs. This is a campaign by the people of Canada, with a minimum objective of $10,000,000, to provide food, clothing and school supplies for the children — safeguard the health of expectant and nursing mothers — in devastated lands around the world.

Wherever possible, all donations will be used for the purchase of Canadian goods, which will be distributed under the direction of responsible United Nations operating agencies.

Organizations across Canada are co-operating in this campaign. It has national approval; is supported by industry, agriculture, education, labour, service clubs, cultural and other organizations.

YOUR HELP IS NEEDED NOW. Your contribution — received at any Canadian BANK — will mean life instead of death for the children — and hope for the future peace of the world. You sympathize. You *want* to give. But good will and good wishes are not enough. Since you may not be canvassed don't let failure to act be on your conscience — turn your sympathy and good wishes into a tangible contribution — go to your bank NOW and GIVE.

If you as an individual or as a member of an organization are anxious to take an active part in this campaign, please get in touch with your Provincial Committee, or write direct to Canadian Appeal for Children at 139½ Sparks St., Ottawa.

CANADIAN APPEAL FOR CHILDREN — APPEAL JOINTLY CONDUCTED BY UNITED NATIONS APPEAL FOR CHILDREN, AND CANADIAN COUNCIL FOR RECONSTRUCTION THROUGH UNESCO

T. C. Graham who has been elected a Director of J. D. Woods & Gordon Limited, Management Consultants.
Mr. Graham is a graduate in mechanical engineering and a former member of the teaching staff of the University of Toronto. He has been a member of the staff of Woods & Gordon for ten years except for service overseas with the R.C.E.M.E. *

Angela Hotel
Just a little different.
Highest standard of service.
Excellent cuisine
Five minutes to centre of City.
Special Winter rates.
VICTORIA, B.C.

ACCOUNTANCY
AND ALLIED SUBJECTS
The Shaw Higher Accounting Courses by Mail prepare for all accounting positions. Choose the Shaw Course. 50 years of success. 500 expert accountants for reference. The broader your knowledge the better qualified you are for advancement when the opening occurs. Course is planned in 3 sections—we can catch step with you at any stage and guide you to the top. Allied subjects include: Cost Accounting, Auditing, Corporation Finance, Practical Banking, Business Administration, Secretarial Practice, Economics, Commercial Law, etc.
Write for Catalogue, Shaw Schools, Dept. RC-79
HEAD OFFICE: 1130 BAY ST., TORONTO
Montreal Branch Office, Sun Life Bldg.
SHAW SCHOOLS

CONSULT Lep
THE FIRST STEP IN FORWARDING
An experienced organization devoted entirely to overseas shipping.
LEP TRANSPORT (CANADA) LTD.
417 St. Peter St., MONTREAL
67 Yonge St., TORONTO
Montreal Airport, DORVAL
Lister Block, HAMILTON

To the holders of
MONTREAL ISLAND POWER COMPANY
5½% First Mortgage Thirty-Year Sinking Fund Series 'A' Gold Bonds due May 1, 1957

OFFER TO PURCHASE

Whereas application has been made to the Foreign Exchange Control Board for permission to call the above issue in whole for redemption on May 1, 1948, at the call price of 101% payable in U.S. dollars, Canadian dollars or Sterling, at the option of the holder; and whereas unqualified approval of the Board to effect such call has not been obtained:

Notice is hereby given that Quebec Hydro-Electric Commission offers to purchase all or any of the bonds of the above issue that may be submitted in accordance with the terms hereof on or before April 1, 1948, in lawful money of Canada at the price of 101% of the principal amount with accrued interest to May 1, 1948.

Holders desiring to take advantage of this offer may present their bonds in good delivery form with May 1, 1948, and subsequent coupon attached to the Bank of Montreal, Montreal, any time, on or before April 1, 1948, and obt- immediate payment with accrued interest May 1, 1948.

QUEBEC HYDRO-ELECTRIC COMMISSION

Did 'Orderly Decontrol' Contribute To Soaring Prices in Past Year?

By BRUCE MacKINNON
Maclean-Hunter Editorial Research

Even as a fact-finding committee, the coming Parliamentary probe into rising prices is going to have its hands full.

The basic facts of specific rises in prices, and of who held which commodity at the time the price went up, will be comparatively easy to unearth. The increases are a matter of statistical record, and the ownership merely calls for reviews of warehouse receipts and other fairly readily available data.

But the secondary facts, as to whether all or any of these increases were unfair or constituted "profiteering," will call for straight thinking, political honesty and a degree of accounting savvy that has been lacking in some other government investigations. One of the toughest nuts will be to get some realistic approach to the problem of inventory profits. Another will be to determine the extent to which Ottawa's policy of "orderly decontrol" of prices contributed to the soaring prices of 1947.

What About Butter?

A case which demonstrates all these points is butter.

Nothing is easier than to show that abnormal profits are being realized in butter. The spread in prices between June of one year and February of the following year (the high and low points of seasonal production) is normally not more than 3c a pound wholesale, usually less. The average cost of butter now in storage, including interest and storage charges is given by leading wholesalers at 56c. The ceiling price is 67c.

But does this abnormal spread prove anything?

Some butter men claim it only proves blundering in Ottawa's method of decontrol.

If you remember, the subsidy to farmers of 10c a pound on butterfat was removed on May 1, 1947. The price ceiling of butter was hoisted 10c a pound (from 40c wholesale) on the same date.

On June 8, 1947, rationing and price control of butter were removed simultaneously.

June is a very important month for the butter trade. It is the big month of surplus production, the big month for moving stocks into storage against the lean winter months. And since it is the first important accumulating month, June is a considerable gamble. Mistakes made in June can wipe out the profit of the entire season.

In addition to these normal hazards, last June presented problems of its own. Fifty-cent butter had only been in since the first of May. Fifty cents was the highest price paid for storage butter since 1920 and it was doubtful that the price would hold. Remember that there was a great deal of talk of recession early in 1947. Residential building contracts had fallen off sharply and there were other signs of deflation.

Some Wanted Price Floor

A good many butter men were so afraid of a collapse in butter prices that some of them asked Ottawa to replace its price ceiling with a price floor so that they could go about their job of accumulating butter for the winter season without fear of a collapse that would bring bankruptcy.

Wholesalers, in order to limit their risks, attempted to sell butter in advance at the 50-cent price. But they found that large restaurateurs and caterers, who normally bought heavily in advance, were unwilling to gamble on butter at 50 cents. Everyone was scared.

The basic reason for this confusion was, of course, that ceilings and rationing had not been removed long enough for anyone to be sure of the true value of butter, how much the public was willing to spend on it, how much would be produced and what price level was needed to keep production and consumption in balance.

Had controls and rationing been removed earlier in the year, butter wholesalers would have had a reasonably clear picture of values, output and consumption on which to base their forecasts. In all probability, the June price would have been considerably above 50 cents.

On the other hand, if Ottawa had taken off controls during the months when production was low and storage supplies high, it would have brought inventory profits for the middleman at a time when the farmers were bringing very little cream to market. The political consequences would have been bad, although the economic desirability of giving both farmers and wholesalers a clear idea of what to do during the heavy production period is obvious.

Price Begins to Move Up

As it was, the trade only gradually realized that 50-cent butter was too cheap. A few came to the conclusion in June that at that price consumption would outrun production and that bigger stocks would be needed. These few began to accumulate greater quantities, and the price began to move up as more joined in. It was 50.8 cents in July, 55.6 cents in August, 60.3 cents in September, which is the last month for major accumulation. By that time it was realized that despite higher prices, Canadians were consuming butter at the rate of seven ounces a week per capita, compared with six ounces under rationing the year before.

If anything, it looked as though the price was still to low, since cold storage holdings of 72.2 million pounds at the October storage peak were only about 3% higher than the year before. On the other hand, production in October of 27.2 million pounds was about 23% higher than 1946, and if production was maintained at this advanced rate, it looked as though stocks would be adequate to last until the seasonal upturn in April of 1948.

Then, in November, the subsidies on coarse grains were removed and butter production slumped. Official figures for Ontario are revealing. In October, butter production ran 23.9% above Oct., 1946. In November, the increase had been whittled to 7.2% and in December, production ran 1.4% below 1946. This at a time when consumption was showing an increase of approximately 16%!

The Feed Grain Policy

Butter men attribute the slump to the feed grain policy. As in the case of the removal of butter ceilings and rationing, it left the market badly confused. And since it came at a time when other forms of feed and pasture were not available, it cut deeply into the supply of cream for the creameries.

This cream is something of a by-product. Much of it comes from stock raisers rather than dairymen, and the stock raisers keep their beef cows yielding milk through the winter only if they are satisfied with costs and prices. If they're dissatisfied, they let their cows go dry, and there's little chance of a pickup in production until the cows freshen anew in April. Even the substantial drop in coarse grain prices over the last few days will not be enough to counteract the drop in cream deliveries, it's expected. Cheap feed won't freshen a dry cow.

This means, some butter wholesalers think, that there's likely to be a shortage of butter between the middle of March and middle of April this year. They don't expect it to be very general, but think that it might be acute in some areas. The reimposition of ceilings, even at 67 cents a pound, has prevented prices acting as a brake on consumption. And the arithmetic indicates that Canadians are over-consuming.

There have been suggestions that even in the face of this threatened shortage, the butter wholesalers should sell their storage butter at cost or close to cost. That would mean two prices for butter, since the 56-cent storage butter would have to sell side-by-side with 67-cent current production.

Who Should Get Profit?

Butter men say that such a program would be hopeless, would simply mean that retailers would either mark up all butter to the 67-cent level or discriminate between customers, giving some the high-priced butter and some the low-priced. This, they think, would put the retailer in an impossible position.

In fine, they think that any system of selling the old and new butter at less than its economic value would lead to some form of "gray market," just as it has in steel in the United States, in newsprint and in automobiles.

On the broader question, there is the problem of who is entitled to that 11-cent "windfall." The case for the wholesalers is that they did more to earn it than anyone else. They risked their capital on high-priced butter, at one time had over $40 millions tied up in a commodity which had been hard to sell at a lower price.

It's also pointed out that in the hands of dealers the 11-cent spread is taxable income. If it were turned over to the public in the form of a five- or six-cent reduction in retail price, this "income" would not be taxable. Moreover, it's held that it would be impossible to guarantee the price cut without a return to full-dress price control, **complete with rationing.** Then, of course, you would be back where you started, facing the problem of decontrol all over again.

Pricing of Inventory

Meanwhile, there is the question of whether an inventory profit should be regarded as a profit at all.

Accountants have long held that inventories should be valued at their replacement price. They have developed the LIFO system of inventory control, the last-in-first-out method, to eliminate the upheavals caused by inventory profits in times of rising prices. The same system avoids the inventory losses that put many a firm needlessly in the red during times of falling prices.

The whole principle of LIFO is aimed at removing fictitious profits and losses from balance sheets of business, hence avoiding the waves of over-expansion and over-retrenchment that have contributed so much to the swings of the business cycle.

It's not to be assumed that the Parliamentary Committee will adopt replacement values as the basis for determining costs and profits.

But if it did, creamery men say that it would find that current (Ontario) prices for butterfat are 73 cents a pound, and that the appropriate price for butterfat at this time of year and for 67-cent butter would be about 72 cents. The current price of butter, they say, is too low by the replacement yardstick, just as it is too low to keep an adequate brake on consumption.

The real villain in the piece is probably the timing and method of decontrol which led to confusion at the most critical time of the year. If butter had been able to find its proper level a little before June 1, better forecasting could have been done all around and we would perhaps have had reasonable stability at something over 60 cents a pound.

Not many expect to see the Parliamentary Committee place the blame on the Government, for butter or any other price increases. But perhaps that's where it belongs.

'Peg Suburbs To Rearrange Debenture Debt

From Our Own Correspondent

WINNIPEG — A committee of bondholders of four Winnipeg suburban municipalities, represented by J. E. Fortin, Toronto, secretary of the Dominion Mortgage and Investment Association, and J. F. Innes, of Sun Life Assurance Co., investment department, is seeking a rearrangement of debenture debts.

As a result conferences with the Public Utility Board, a new $900,000 issue has been arranged for the municipality of St. Vital. The issue will be for 20 years at 3% interest.

The arrangement is a sequel of a readjustment first made in 1926, when affairs of St. James, St. Vital, West Kildonan and Transcona, were put under supervision of the Utility Board. Debentures issued at the time mature in 1956. St. Vital's debt has been reduced to a point where it can now be settled and the $900,000 issue is authorized for this purpose.

When the 1926 readjustment was made, the province took debentures of the four municipalities in payment for what was owing the Government for guarantees of bank overdrafts and other liabilities. Indebtedness at that time was $1.4 millions for St. James, $390,000 for Transcona, and $400,000 each for St. Vital and West Kildonan.

In the meantime, the Public Utility Board has been quietly buying in at the market price whatever debentures have been out on the market, payment being made from a special fund set up in each municipality for this purpose. In this manner the St. James debt has been reduced from $3,865,000 to $2,450,000.

The province is now the heaviest holder of the bonds of all four municipalities. Arrangement for the new issue in St. Vital is the only one so far completed with the committee. Negotiations are under way with respect to the other three.

MACDONALD MINES advises that option agreement with W. E. Burke, Montreal, has been cancelled. However, company has made an agreement with Stuyvesant-North Ltd., whereby optionee has agreed to purchase 50,000 shares at $1 and option 690,000 shares at prices ranging from $1 to $4 per share, exercisable by Aug. 31, 1949.

LINGSIDE GOLD MINES has granted extension until April 28 on share option to Elaine Agency. Subsequent payments will be as follows: 50,000 on May 28; 50,000 on June 28; 100,000 on Aug. 28; 100,000 by Nov. 28 and 200,000 shares by Jan. 28, 1949.

L. C. BONNYCASTLE

has been appointed vice-president and secretary of John Labatt Ltd., London, Ont., of which he was formerly assistant general manager and secretary.

Dominion Foils Plans New Lines

MONTREAL (Staff)—A sharp expansion in operations of the converted products division of Dominion Foils (Can.) was forecast at the company's annual sales conference recently. "Cook's Foil", "beauti foil" are two new consumer products which the company will market. In addition, a new Unicraft five-color gravure press at the Cap de la Madeleine rolling mill is now being installed and will be in operation soon, Vice-president Bruce Dunlop states.

Following an extended tour of Europe, Vice-president Gene Kruger announced that Canadian rights had been obtained for a number of new products, now being tested by the company's research department. New consumer foil products will be sold in grocery, department, and stationery stores. "Cook's Foil" is a packaged roll of pure aluminum foil for household use, 30 ft. long and 10 inches wide. "beauti foil" is a single sheet of gift-wrap in a wide range of colors and embossings.

Dominion Foils new color press was manufactured by Sorel Industries, and will be used to look after the expanding food packaging division of the company. It is said to be the most modern of its kind in America.

Only American Airlines provides 4-Engine Service to New York
• Ideal after-business departure—Leave 5:30 p.m., arrive 7:50 p.m.
• Flight time includes customs and immigration clearance—no delay on arrival.
• Round-trip passage payable in Canadian funds.
Phone WAverley 4661 or your travel agent
GOING TO EUROPE? Travel the comfort level!
Ticket Office: 22 King St., West
AMERICAN AIRLINES

CANADIAN CANNERS advises that an additional 860 convertible preferred shares have been exchanged for an equal number of common, reducing number of convertible preferred outstanding as at Jan. 31, to 300,327, and increasing common outstanding to 192,603 shares.

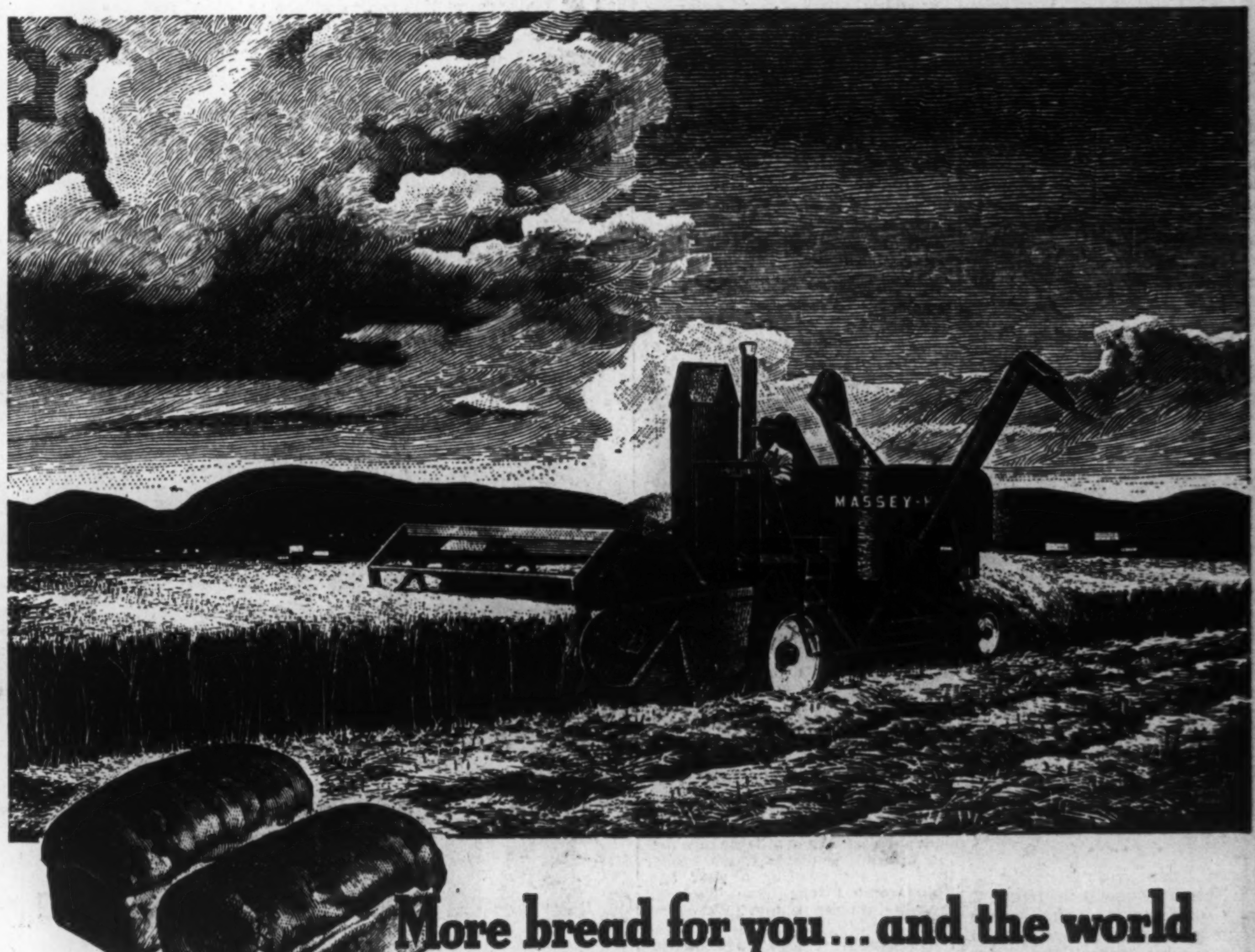
Appointments by Toronto General Trusts

A. ROY COURTICE

H. BASIL MORPHY

GORDON F. McKITTERICK

The Toronto General Trusts Corporation announces the following appointments. Mr. A. Roy Courtice, formerly Trust Officer, has been made an Assistant General Manager. He is a graduate of Toronto University and Osgoode Hall; following active service in the First Great War, he was called to the Ontario Bar in 1920, and joined the Corporation in 1928. Mr. H. Basil Morphy has been appointed Secretary; joining the Corporation as a junior in 1902, he became Transfer Officer in 1915 and Superintendent of the Stock and Bond department in 1924. Mr. Gordon F. McKitterick, who joined the Corporation in 1917, succeeds Mr. Morphy in charge of the Stock and Bond department. *



More bread for you... and the world

because Massey-Harris Combines enable 1 man in 1 day to cut and thresh wheat for 55,000 loaves

YES, more food is available for the world to-day when its need is desperate, because Canadian farmers with only a two-thirds increase in numbers over 1900, are growing 4½ times as much grain, producing 2½ times as much milk, feeding twice as many cattle and 2½ times as many hogs, raising 5 times as many chickens; because they are providing food for 2½ times as many people in Canada and exporting 30 times as much wheat and 10 times as much flour.

Farmers are doing it because individually they produce more to-day than in 1900, but it means hard work. And there is no harder working group of people in the world than the Canadian farmers. But hard work alone would not be enough to accomplish such results. They do it by a combination of hard work and modern machinery.

Typical of the great, efficiency-increasing machinery of the farm to-day is the Self-Propelled Combine, pictured above, which Massey-Harris first introduced in 1939. With this machine, 1 man can cut and thresh enough wheat in 1 day to make 55,000 loaves of bread.

Modern farm machinery has increased the productive capacity of Canadain agriculture to where it provides an abundant surplus for the needs of those in other lands, and makes an important contribution to Canada's great export trade.

Similarly Massey-Harris machines are helping to increase farm production in 72 countries of 6 continents.

A CANADIAN COMPANY WITH A WORLD-WIDE ORGANIZATION

Established in 1847, the Company is now the largest maker of farm implements in the British Empire, with four factories in Canada, three in United States, one in England and one in France; branch offices throughout Canada and United States and at Manchester, Paris, Marquette, Bordeaux, Nantes, Lyons, Toulouse, Berlin, Brussels, Copenhagen, Durban, Johannesburg, East London, Cape Town, Salisbury, Nakuru, Oran, Buenos Aires, Rosario, Bahia Blanca, Montevideo, Porto Alegre, Christchurch, Palmerston, Auckland, Dunedin; represented in Australia by H. V. McKay Massey-Harris Proprietary Ltd.

MASSEY-HARRIS
A CANADIAN COMPANY WITH A WORLD-WIDE ORGANIZATION

10c the Coming Wage-hike Pattern? Quick Answer Seen from 'Big Steel'

Will the CIO-CCL Steelworkers settle for a dime at Stelco?

To this critical labor question of the hour, partial answer was given last week — virtually unnoticed by the average Canadian on whose future earnings the full answer in weeks ahead may have vital bearing.

The Steelworkers, "demanding" the equivalent of a 30c an hour wage boost at Stelco and International Harvester — and they knew this was wild—settled for about a third of that amount at Harvester.

Their aspirations at Stelco and other key industries thus may appear to many to have been effectively curbed.

But the nub question for a wide segment of major industry and most Canadians remains: How much more than a dime can Steelworkers now expect at Stelco?

The answer to that may begin to shape a couple of weeks hence. And this time, it will come to an alertly attentive nation. "Big Steel" commonly sets the industrial wage increase pattern in metalworking and the woods, in rubber, textiles, shipping and chemicals, and also because Stelco at Hamilton long has been considered bellwether of Canada's steel "big three"—the others: Algoma at the Soo and Dosco at Sydney.

Focus of the coming quiet showdown is Stelco's Hamilton Works, the Steelworkers Local 1005 and about 5,000 workers directly affected. The "labor" or basic rate is now 82½c, up 19½c in the past two years. The contract covers a 48-hr. week; expires April 1. The union's dream now is of $1.12½, up another 30c, though it puts the matter differently: $54 a week minimum instead of $39.60 now; alternatively, about $45 for a week reduced to 40 hours. But because of Canada's pjressing steel shortage and new austerity import curbs it has little hope for a shorter work week.

So far there has been no formal offer, nor any public statement from the company, and it is no exaggeration to say that that is precisely what virtually all industry and much of the nation awaits with eager attention—that and the "debate" which will inevitably ensue.

• • •

U. S. Unions Talk 30 Cents For Rubber, Brass, Motors

April is shaping up as a month of decision on U. S. wages, with the third round pattern likely to develop from negotiations that begin or end about then in several big industries.

And — from the perhaps doubtful vantage point of February — it begins to look as if demands from several key labor groups may feature a 30c-an-hour wage hike.

It's too soon to predict any wide degree of similarly in amounts to be asked on opposite sides of the international border. But, competent observers are saying, it may be a good time for labor to start realizing settlements in both countries must be at 15c or less, much less in many cases, if the inflationary wage spiral is to be arrested in time to forestall a quick bust.

Here are the most recent signals of what's ahead on the U. S. front:

Rubber — At Cleveland, 30c hourly wage increase demand on the U. S. rubber industry voted by 200-man international policy committee of CIO United Rubber Workers. Average industry-wide wage now about $1.32 an hour; contracts expire late 1948 but contain a 60-day wage-reopening clause.

Brass — At Bridgeport, Conn., 65 delegates representing brass workers in a large part of United States and Canada "adopt" program also featuring 30c demand. Recommendation to be submitted Monday in Salt Lake City to national wage policy committee of CIO International Mine, Mill & Smelter Workers. With it goes suggestion for more liberal vacations, group insurance and hospitalization, severance pay and eight instead of six paid holidays a year.

Coal — Threat of strike July or sooner held possible. Present contract permits either the industry or John L. Lewis' United Mine Workers to end it on 60 days' notice; otherwise it ends automatically July 1. Lewis' demands expected to include not only pay raise, but more critical, sharp hike in royalty (now 10c a ton) paid by operators into miners' welfare fund. That's far from enough for the pensions costing millions of dollars a year Lewis reportedly wants. Industry estimates royalty would have to be at least 40c a ton to pay for it and says any such hike would be added to the price of coal.

Steel — CIO United Steelworkers policy committee to meet this month, ratify demands to be made by union president Philip Murray in April. Present contract says no strike before spring 1949 (May 1).

Motors — Negotiations between CIO United Auto Workers President Walter Reuther and General Motors due in March, could peak in April. UAW to ask 15c, plus 10c for a pension system, plus 5c for health insurance program, though leftwingers are attacking Reuther for revising demands after union executive board voted for a raise of 25c plus 5c for insurance.

Railroads — Engineers, Firemen, Switchmen last week delayed strike to permit a presidential emergency board to offer recommendations. That would delay a walkout until April at earliest but Alvanley Johnston, head of the Engineers and who was a leader of the brief 1946 strike with other leaders this time is expected to compromise.

Telephones — Pay demands likely to climax about April but officials of independent Communications Workers of America say they won't demand industry-wide bargaining. Such a demand prompted last year's strike.

• • •

Expectant Commons Waits Mitchell's National Code

The Dominion Government plans a start at taking over labor relations in all Canadian industry with consent of the provinces but with some conditions attached. Permissive legislation will be sought in Labor Minister Mitchell's new industrial disputes bill — the so-called national labor code — soon to be introduced in the Commons.

But the code isn't expected to be made effective on any wide general industry scale until broader agreement on the question has been secured among the provinces. For the moment it will give the Dominion jurisdiction over railways, shipping, communications, radio, canals, air transportation, possibly one or two other specific national and interprovincial industries.

One of the other industries which might later come under the federal wing is thought to be coal, an industry with national ramifications, subsidized by Ottawa and its development guided by the Dominion Coal Board, but its labor relations controlled by Provincial Governments. But the Labor Dept. right now is cautiously waiting for some sign from Nova Scotia, Alberta and British Columbia.

The same, in theory goes for the meat packing industry. In last year's packers' strike, the disputants in a single tieup had to negotiate through several Provincial Governments with varying forms of legislation. The Ottawa Government and most labor unions feel a central authority could co-ordinate conflicting views more effectively.

But until the provinces signify they want Ottawa to move in, the Dominion Government will continue to stand at the door.

• • •

See No Immediate Break In Rogers Majestic Strike

A fairly lengthy strike at the Rogers Majestic radio plant in Leaside, near Toronto, was indicated as a meeting of 500 striking plant employees, members of the CIO-CCL United Electrical Workers took the position of "no contract, no work." The strike was called Feb. 2 after breakdown of wage negotiations and refusal by the company to extend a collective bargaining agreement during the wage discussions. No break in the deadlock was in sight at midweek but a few payroll workers were passed in by UEW pickets.

Reginald Brophy, president of the Dutch-owned Rogers Majestic claims autonomy in Canadian policy of the company. Ross Russell, UEW organizing director had charged "international interference" was responsible for the strike; said that since the N. V. Phillips Glesiliampenfabrieken Co. of Holland had acquired the companies, labor relations had deteriorated.

The company offered a wage increase of 6% with an additional 3% effective July 1. The union asked 15c an hour with right to reopen the wage question after six months. Finally, the union agreed to submit the wage question to conciliation if the company would extend the contract until the wage issue had been settled. This was refused and there the matter stands.

• • •

AFL Textile Officials Convicted, Will Appeal

Mrs. Valdimar Bjornasen, 29, more generally known under her maiden name of Madeleine Parent, and Azellus Beaucage, 45, both AFL United Textile Workers of America organizers, last weekend were found guilty of seditious conspiracy to intimidate nonstrikers during last spring's Ayers Ltd. strike at Lachute, Que. Both were sentenced to two years imprisonment. Maximum penalty is nine years in prison. Roger Ouimet, K.C. chief defense counsel said an appeal would be taken, particularly in view of Mr. Justice Cousineau's remarks to the jury.

A third union official, R. Kent Rowley, national organizer, was also charged with seditious conspiracy and conspiracy to intimidate. But he was granted a separate trial on the ground that he is of mixed parentage and his case will be heard at the next term of the criminal assizes by six French-speaking and six English-speaking jurymen.

• • •

No Police Pay Boost But Study Short Week

Toronto Board of Control can't see its way clear to bring in any increases in salary just now, policemen were told last week by retiring mayor Robert Saunders after a three-hour closed session of the police commission. The same story had been told civic employees' union representatives the day before. Policemen asked increases between $200 and $400 a year because of the rising cost of living. Their application for a five-day week is reported still under consideration. The Police Association deputation headed by Constable Thomas Wakely is reporting back to its 1,150 members. A year ago the association won raises averaging $180 a year.

• • •

Job Appraisal Results in Office Pay Boosts

Office workers of Gutta Percha & Rubber, Toronto, will receive pay increases averaging "several dollars a week" and retroactive to Dec. 1 as a result of job evaluation studies conducted jointly by the management and the CIO Office & Professional Workers' union. The union had asked for an "immediate payment on account" of $5 a week. The company countered with an offer of $7.50 a month. Later, after meetings with an Ontario labor dept. conciliator, a compromise was worked out.

According to the insurance division of the same union, Metropolitan Life industrial life insurance agents will receive increased commissions on ordinary collections and cash bonuses from $50 to $200 in the case of those with over 10 years' service. Union representative Kenneth Woodsworth said the settlement followed a several months campaign to secure increases from Metropolitan, Prudential of America and John Hancock Life companies.

• • •

Fishermen and Seamen Join Forces at Halifax

Amalgamation of the Canadian Fishermen's Union on the east coast with the CIO-CCL affiliated Canadian Seamen's Union is announced at Halifax by President Captain Ben MacKenzie and CSU's national director of organization, Conrad Sauras. Request for the merger came from the fishermen.

National executive of the CSU has agreed to release H. C. Meade, Atlantic Coast vice-president, from the seamen's section and assign him as full-time director of organization for the newly created Fishermen's division. Meade said the first job would be to work out a complete program, with questions of prices, trade union rights, unemployment insurance heading the agenda.

• • •

Fired Manitoba MLA Company Action Upheld

The Manitoba Labor Board has dismissed complaint of Wilbert Doneleyko, CCF member of the provincial legislature for St. Clements, that he had been wrongfully dismissed from employment by Canada Plycraft Corp., which makes boats at Elmwood, near Winnipeg, with about 50 employees.

Doneleyko's claim was that on Jan. 16 after three month's employment as a woodworker he was dismissed about an hour after presentation of a brief on behalf of the employees asking for a 20% pay hike. He said he'd been fired because of his part in preparation and presentation of the brief.

The company issued a statement saying his dismissal was mainly because he spent more time in other activities than in doing the work he was paid for. Doneleyko denied this in a subsequent statement but the board found that the dismissal did not constitute an unfair practice.

• • •

'Go West Young Man'?; Coast Jobless 16,000

Vancouver civic welfare officials report "thousands of youthful vagrants — hundreds every week" are arriving in the West Coast city from eastern and Prairie points. Ranks of the unemployed there have increased to more than 16,000, welfare hostels have overflowed and free meal tickets are being distributed daily. The Community Chest's homeless men's committee called on citizens to provide homes for "hundreds of unemployed youths roaming city streets."

However, employment service officials said they looked for easing of the situation in the next three weeks with seasonal upswing in coast production.

EASTERN TRUST CO. Halifax, N.S., is asking authority for an increase in its capital stock from $1 million to $3 millions, divided into 30,000 shares of $100 each. A bill before the Senate would provide that if additional stock is issued at any time, stockholders at the time of issue shall be primarily entitled to a pro rata allotment.

Imperial Says Edmonton Area Best Known West Oil Section

From Our Own Correspondent

WINNIPEG — Surface explorations within the last year by Imperial Oil only warrant the opinion that Manitoba may be a potential source of oil, H. H. Hewetson, president of the company said here.

There is no intention of undertaking any experimental developments in the near future, Mr. Hewetson said, nor will there be until it appears that the province has more evidence of potential oil resources than other areas of Western Canada.

For the present, the company believes that the best field for western operation is in the Edmonton district of Alberta. The most promising source of oil in Manitoba seemed to be the southwest corner at the west end of what is known as the Williston Basin.

Mr. Hewetson estimated the potential of the recently discovered Leduc field at 50 to 100 million barrels, enough to rank it as one of the major fields of the continent. The company now has 12 producing wells in the field, which are giving 2,500 bbls. a day. By end of the year the company expects to have enough wells in production to turn out from 4,000 to 4,500 bbls. a day.

These notes having been sold, this advertisement appears as a matter of record only.

$750,000

Colonial Finance Corporation

Limited

3% Secured Notes

Maturing as follows:

$250,000. Series "A", due January 15, 1950
$250,000. Series "B", due January 15, 1952
$250,000. Series "C", due January 15, 1954

Interest payable semi-annually on the 15th day of January and July in each year.

R. A. DALY CO.
LIMITED
80 KING STREET WEST
TORONTO

After a loss it's too late to wish you'd had good advice about your business insurance

You can't change your policies after you've lost a ship or watched your factory burn. The time to be sure is now. So give your insurance the attention it deserves before it's too late. Don't be satisfied with superficial advice or "just any broker." Look for a well equipped organization — with experience, man-power, knowledge of insurance contracts and markets, claim collection, loss control and other service departments, and freedom to buy in the open market from one insurance company or many. Here at J&H we try to live up to that description. And our ideal is to identify ourselves with our clients' interests at every step of the way. With lives and property at stake, that's a big job and an important one. If you would like to discuss its possible application to your business, phone or write us today.

JOHNSON & HIGGINS
(Canada) Limited
INSURANCE BROKERS
MONTREAL • TORONTO • WINNIPEG • VANCOUVER
Correspondents

NEW YORK, CHICAGO, SAN FRANCISCO, LOS ANGELES, DETROIT, CLEVELAND, PHILADELPHIA, PITTSBURGH, BUFFALO, SEATTLE, VANCOUVER, WINNIPEG, MONTREAL, TORONTO, HAVANA

BUYERS OF INSURANCE FOR COMMERCE AND INDUSTRY SINCE 1845

Bumper Guards available at extra cost.

Because they're "Built to Fit the Job"...

MORE PAYLOAD: that's what you want in a truck! Examine the new FARGOS—no other trucks so economically carry the loads they are designed to transport—they're "Built to FIT the job"—*your* job.

Trucks should be designed for the type of work they must do, for a truck that is too big is wasteful—a truck that is too small is costly in upkeep and repairs. But a truck that *fits the job* is economical to own and operate. When you buy a FARGO—you get a truck that is built to do your particular type of work at the lowest possible cost.

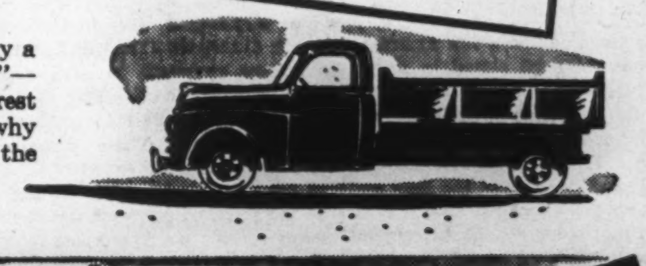
Here is what Chrysler Engineers offer you, in the FARGO line, to fit your truck to your job—Gross Vehicle Weights ranging from 4,600 to 16,000 pounds and tractors up to 28,000 pounds—4 new, improved engines, powered to suit your type of work—a selection of 31 body and chassis types—9 wheelbases—12 frames—12 rear axles—3 transmissions and 6 brake combinations. Your Chrysler-Plymouth-Fargo Dealer will help you select the FARGO combination that most closely fits your type of hauling or delivery.

Remember, you get more than just a truck when you buy a new FARGO. You get a truck that is "Built to FIT the job"—*your* job! See these new FARGO trucks at your nearest Chrysler-Plymouth-Fargo Dealer's. He will show you why these new FARGO trucks are the biggest truck value on the market to-day.

LOOK AT THESE FARGO FEATURES

- **BETTER WEIGHT-DISTRIBUTION**—with front axles moved back and engines forward, the load is carried more evenly over *both* axles.
- **NEW WHEELBASES** and new steering assembly allows smaller turning diameters and easier manoeuvring in confined areas.
- **WIDER TREADS** on both front and rear axles provides better roadability, greater stability and easier handling.
- **COMFORTABLE CABS** — wider, higher and deeper. Seats are fully adjustable. Wider, taller doors makes getting in and out easy—from either side.
- **LARGER, IMPROVED BRAKES**—braking area has been increased as much as 20% for extra safety.

These are only a few of the many Engineering Advancements found in the 1948 FARGO trucks.



FARGO TRUCKS ARE *Chrysler-Built* IN CANADA

Sun Life Pays Over $100 Millions 77th Year Service

New Business Over $380 Millions

Assurance In Force Now $3.8 Billions

PRESIDENT STRESSES DUTIES

Payments and Assets Contribute to Public Welfare — Canada Contributes 30% to New Business — Sun Life Pays $2 Billions in 77 Years

What is an assurance company? What does it do and who benefits by its operations? These were a few of the questions asked and answered by Arthur B. Wood, president of Sun Life Assurance Co. of Canada at the 77th annual meeting of the company held this week. As an illustration of the vital part played by assurance companies in the economic life of this country Mr. Wood told policyholders that Sun Life had paid out a total of $101.9 millions to policyholders and beneficiaries in 1947. At the same time assets of the company increased $78.8 millions.

These figures in effect represent the double-barrelled job which life assurance companies do. Through payments to policyholders and beneficiaries life assurance companies contributed to the common welfare; a contribution which cannot be over-estimated, Mr. Wood declared. And by investing its assets—the accumulation of small payments contributed by millions of policyholders—the assurance company contributes to the industrial welfare of the country as well, the president pointed out.

Mr. Wood told the meeting that a life assurance company had three main functions: (a) collection of small sums of money from a vast number of persons into a common fund (b) investment of these funds in sound securities yielding remunerative rates of interest (c) distribution of these funds to beneficiaries of deceased policyholders and to living policyholders whose contracts have matured. Here is how Sun Life discharged these three primary duties in 1947:

● **Collection of small sums into a common fund:** Total of new life assurance in 1947 was $380,659,514 or an increase of 9.3% over 1946. Of the total new business Canada contributed 30%, United States 34%, United Kingdom 17%, Eastern Department 12% and the Western Department 7%. Of the total $46,081,242 is represented by group life insurance. Assurance in force increased 7.4% over the previous year and the total now stands at $3,837,724,159.

● **Investment of funds in sound securities:** Total assets now total $1,421,982,913, an increase of $78,849,938 during 1947. Of the total 54.5% is invested in government and municipal bonds; 15.4% in public utility bonds; 7.5% in industrial and other bonds; 2.6% in preferred and guaranteed stocks; 4.9% in common stocks; 6.2% in mortgages; 4% in policy loans; 2.4% miscellaneous; 1.1% real estate; 1.4% in cash.

● **Distribution of funds to beneficiaries and policyholders:** During 1947 Sun Life distributed a total of $101,914,657. Of this 31% went to beneficiaries of policyholders who died; 39% to living policyholders whose contracts matured or were terminated for their cash value; 13% distributed in income payments to annuitants; 2% in disability claims; 15% in dividends to policyholders. These payments were equivalent to $362,686 being paid out each working day during the year. Average amount of death claim was $3,796 of ordinary life assurance and $1,752 in the group department.

An important fact to be noted, Mr. Wood said, was that the vast proportion of policyholders are persons in modest stations of life. A few thousand dollars paid to the families of these individuals may mean the difference between the preservation of the home and actual destitution on the death of the breadwinner, he pointed out.

Lapsed Policy is Loss

Of particular interest to policyholders was the president's reference to lapsed policies and premium rates. "A lapsed policy represents wasted effort," Mr. Wood declared. The policyholder loses since he had paid an unnecessarily high cost for temporary protection and the company realizes a loss rather than a profit. Premium rates are largely the outcome of the constant tug-of-war between mortality rates and interest rates. The use of lower mortality rates of the new table tends to reduce premium rates; the lower interest rates tends to increase them, Mr. Wood explained.

Low interest rates still occupy the attention of life assurance companies, according to Mr. Wood. Whether the recent upward trend in interest rates would continue cannot be positively stated. At best, the president said, nothing more than a moderate and slow increase in the average rate to be realized on total assets should be expected for a considerable period.

Following is the text of Mr. Wood's address:

The figures presented to you in the Annual Report reveal a condition of strength and progress which I am sure is gratifying to all persons interested in the welfare of the Company and its policyholders.

It is my hope that by using our own Company's experience for purposes of illustration I may implant in the minds of our policyholders and the public generally a better understanding of the contribution the institution of life assurance is making to the public welfare and the important place it occupies in our general economic structure.

The function of life assurance is to afford to the individual the facilities for creating an estate for himself and his family through the exercise of his own energy, initiative and ability. To the extent that he does so the State will be relieved of the financial burden which otherwise it would have to bear on his account under any scheme of social insurance.

The functions of a life assurance company may be stated in simple language to be of a threefold nature; first, the collection of small sums of money from a vast number of people spread throughout the length and breadth of the land and bringing them together into a common fund; secondly, the investment of these funds in sound securities yielding remunerative rates of interest; and thirdly, the distribution of these funds in due course to beneficiaries of deceased policyholders, and to living policyholders, when their respective contracts mature. This is the fundamental purpose of life assurance.

The amount of money distributed to policyholders and their beneficiaries during the year tells us the extent to which the Company is achieving the purpose for which it was established. These payments serve to illustrate the benefits constantly accruing to the public from the activities of the field organization in previous years. Because of its significance, I will deal with this item first.

During the year 1947 the Sun Life of Canada distributed to policyholders and beneficiaries under all forms of payment the sum of $101,914,657 of which $31,912,456 (31% of total) was paid to beneficiaries of policyholders who died during the year; $39,811,934 (39%) to living policyholders whose contracts matured as endowments or were terminated for their cash values; $13,398,693 (13%) distributed in income payments to annuitants, $1,791,304 (2%) in disability claims, and $15,000,270 (15%) in dividends to policyholders. These disbursements were the equivalent of $362,686 for each working day throughout the year. A study of the death claims reveals many facts of interest and importance. Of the policyholders who died during the year, 83% were insured for amounts less than $5,000, and the payments on their account amounted to 39% of the total. Payments on account of the remaining 17% who were insured for amounts of $5,000 or more, absorbed 61% of the total death claim payments.

Claims Vary

The individual claims were for widely varying amounts ranging from a minimum of $1,000 or less to a maximum of $250,000. The average amount of death claim was $3,796 in the Ordinary Department and $1,752 in the Group Department. The policy of longest duration had been 67 years in force. It was a small policy of $500 issued in 1880, the premium being $8 per annum. The assured paid $536 in premiums, but these were reduced by dividends totalling $275. Thus the net cost of the $500 received by his estate was only $261, or $3.90 per annum. In contrast to this, the policy of shortest duration had been in force only seven days. The beneficiary received $2,500 whereas the Company had received only one premium of $58.13. In 1947 approximately $550,000 was distributed in death claims, in respect of policyholders who died during the first year of assurance. Some of these early deaths were due to accident and others resulted from diseases, notwithstanding that each had been accepted as medically fit but a short time before. Comparisons of this kind give cause for reflection upon the uncertainty of life and emphasize the importance of protection against the risk of death.

Annuity payments were disbursed regularly to 18,650 individuals, the average payment to each being $564 per annum.

These illustrations exemplify the widespread character of life assurance service. It embraces a cross-section of the community, for our policyholders are found in all classes of occupation and in all brackets of financial standing. The fact deserving particular notice is that the vast proportion of policyholders are persons in modest stations of life, to whose families a few thousand dollars coming to them on the death of the breadwinner may mean the difference between the preservation of the home and actual destitution. The value of the contribution life assurance is making to the common welfare by the constant outflow of these payments cannot be over-estimated. Today more than one-half of the total population of this continent are policyholders and four out of five families enjoy the benefits of its protection.

It is worthy of note that during its 77 years of existence our Company has distributed $2,021,889,123 in payments to policyholders and beneficiaries. The assets of the Company at the present time total $1,421,982,913. These are held for the benefit of existing policyholders and annuitants, and will be disbursed in due course as their contracts mature. The sum total of all premiums that have been paid by policyholders since the inception of the Company is $2,981,292,292. Thus the combined total of payments made by the Company to policyholders, and assets held for their benefit amounting to $3,443,872,036 exceeds by $462,579,744 the sum of all premiums paid by policyholders to the Company during the past 77 years.

Evidence of Trusteeship

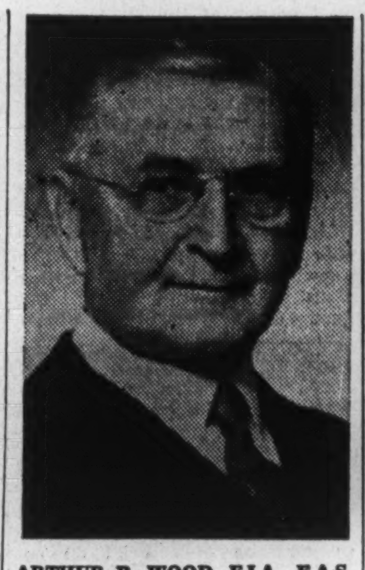
There is an implied trusteeship in our relationship to policyholders, the operation of which is disclosed by the financial statement. Recognizing the importance of making sure that the purpose of the life assurance policy will be fully realized, our policy contracts contain special privileges, designated optional methods of settlement, under which the Company agrees to retain the policy proceeds at interest and to pay it out gradually in installments, for a definite term of years or for the life of the recipient, as may best meet the needs of each particular situation. That our policyholders appreciate this service is apparent from the extent to which these privileges are exercised. Of the total death claims, matured endowments and dividends which fell due during the year, 39% was left with the Company under arrangements of this character. During the year $19,608,563 was distributed from sums so left with the Company in former years. In the statement of liabilities you will find an item of $134,983,237 which represents the balance so held by the Company at 31st December last.

• • • •

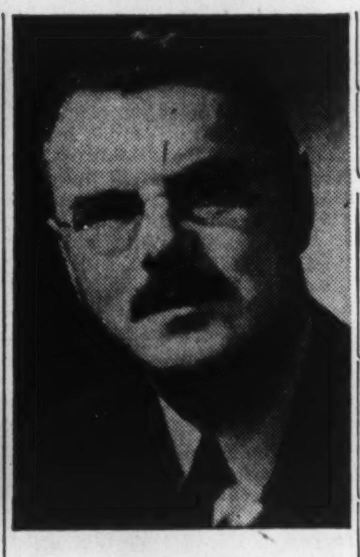
NEW BUSINESS

The volume of new assurances secured in any year depends primarily upon two fundamental factors, the efficiency of the Company's agency organization and the level of the national income. It is unfortunately true that few men seek life assurance of their own volition. While most men will readily admit the need for life assurance and its value, the human failing of putting off until tomorrow what should be done today is ever present; and so throughout the years experience has proven conclusively that without a strong, aggressive and well-qualified agency organization a life assurance company could make little progress, and the public would be very inadequately insured. We have a most efficient agency organization, I am proud to say. The effect of the size of the national income on new life assurance production needs no elaboration.

During the past year, despite the general increase in the cost of living, the increased output of consumer goods available to meet a long pent-up public demand, the widespread purchase of homes, and the many other capital investments, all of which are in competition with life assurance for the individual's surplus dollars, the volume of life assurance sales in Canada and the United States by all companies combined was maintained at approximately the same rate as in 1946. In the case of our Company I am pleased to report a substantial increase in new life assurance, the total $380,659,514 being 9.3% above that of 1946. It is gratifying to note that each of the five broad agency divisions into which for purpose of administration the many countries in which we operate are divided, reports a larger volume of new business than was secured in the preceding year. Of the total new business Canada contributed 30%, the United States of America 34%, Great Britain 17%, the Eastern Department comprising South Africa, Egypt, India and other countries in the Far East 12%, and the Western Department embracing Argentina, Cuba, Puerto Rico and the West Indies 7%. The total new business is made up of $334,578,272 ordinary and $46,081,242 group life assurance.



ARTHUR B. WOOD, F.I.A., F.A.S., President, who reviewed the year's work at the 77th annual meeting.



GEORGE W. BOURKE, F.I.A., F.A.S. Vice-President and Managing Director

Looking backwards over the experience of the past ten years, it is worthy of comment that notwithstanding the disturbing conditions and the unusual difficulties created by the war, life assurance made substantial and steady progress throughout that period. The new life assurance secured by our Company in 1947 was almost exactly double the amount secured in 1938, the year immediately preceding the outbreak of war.

Annuities

In the Annuity Branch individual contracts numbering 3,636 were entered into and in addition group pension contracts covering 1,650 lives. The payments thus contracted for total $3,869,827 per annum. From the standpoint of the amount of life assurance payable in one sum that would be required to purchase these annuities, this business is the equivalent of $51,000,000 of new life assurance. And so if we reduce life assurance and annuities to a common denominator the combined total is $431,000,000.

• • • •

BUSINESS IN FORCE

Assurances in force increased by $264,591,406, which is a 7.4% increase over the figure for the previous year. The total in force now amounts to $3,837,724,159 and is composed of $3,054,208,465 ordinary and $783,515,694 group life. Our policyholders will be interested in knowing how this life assurance cover is distributed over the five broad general divisions of our world-wide operations.

Of the total 33% or $1,279,294,424 is in Canada; 41% or $1,563,180,175 in the United States of America; 13% or $481,548,932 in Great Britain; 8% or $326,876,327 in the Eastern Department; 5% or $186,824,301 in the Western Department.

Annuities

Individual annuity contracts in force number 43,156 policies. In addition group annuity contracts entered into with various corporations provide for retirement benefits in respect of their 62,860 employees. Under annuities already vested we are at present disbursing $10,451,403 per annum. Annuity contracts not yet vested provide for payments totalling $55,288,793 per annum which will become payable to the individuals covered, on the attainment of specified ages. The total of these annual payments presently being made, and to be made in the future, $65,740,196 per annum, is equivalent in value to approximately $865,000,000 of life assurance. Again reducing life assurances and annuities to a common denominator and combining them, we find that the measure of our Company's contribution to social security resulting from the operation of the two branches is the equivalent of $4,700,000,000 of life assurances in force.

Cancellations

A substantial volume of assurance goes off the books each year, a large proportion of which consists of natural terminations of contracts which have completely served their purpose. The remainder, surrenders and lapses, are the result of the voluntary action of policyholders.

The attitude of the life companies towards these voluntary cancellations has frequently been wrongly represented by persons who are prone to criticize the life insurance business. Wrong impressions are created at times through failing to distinguish between the various types of cancellations, and usually by improperly representing the attitude of the companies towards the problem of lapses and early surrenders. In justice to all companies it may fairly be said that there is no problem to which more thoughtful attention has been devoted than that of the conservation of business. It stands to reason, considering the time, the labour, and expense involved in securing new business, that every effort would be made to maintain the policies in force until their natural maturity. It is ridiculous to think that a company derives any satisfaction from the lapsing of policies.

As regards policies which are surrendered for their cash values, it is most unfair to make a general statement that these represent wasted effort. Examining our Canadian experience for the purpose of illustration we find that in the year just closed 80% of voluntary cancellations of policies for their cash value consisted of policies that had been in force for over ten years. A considerable number had been in force for twenty-five years and longer, and in many instances the assured had reached an advanced age. In many cases, the explanation of the termination of the contract probably is that the need for the protection of the family no longer existed. The cash value in such cases served the purpose of a partial endowment. Policies terminated by surrender ranged in duration from three to fifty-three years. The Company disbursed $12,997,170 in surrender values on assurance policies, the average payment being $685. Lapses occur mainly in the first year, and form only about 1% of the total ordinary assurances in force.

How ill-informed, or deliberately unfair, these critics are may be judged from their own assertions.

HOW SUN LIFE DOLLARS HELP THE NATION

The dollars paid in premiums by the policyholders of the Sun Life Assurance Company of Canada go to work at once.

They are promptly and securely placed in Government, municipal, corporation and public utility investments.

They develop industry and expand business.

They build homes and schools, and modernize farms.

The statements they usually make are that lapses may be traced to over-selling or selling the wrong type of contract, and they further state that lapses result in profit to the Company.

The President's Annual Address is one of the media by which we endeavour to impart to the public correct information regarding the operation of our business and thus to foster sound public relations. A brief word in further explanation of our attitude towards the conservation of business is timely.

Careful Selection of Agents

I would preface my remarks by stating that every agent of the Company is carefully selected and at the outset of his career receives an intensive course of instruction in the principles of life assurance and life assurance salesmanship. Particular stress is laid upon the importance of the agent studying the insurance needs of each prospective applicant and his financial condition. The agent is expected to act the part of a counsellor and to advise his client that, in drawing up the family budget, he should include an item to cover the cost of life assurance, well within his means. The policy finally sold should be the plan which both applicant and agent decide is best suited to meet the circumstances of the individual case. What greater precautions could be taken to avoid over-selling, or selling the wrong kind of policy.

If lapses were due to over-selling, one would naturally expect to find a higher lapse ratio under policies of larger amounts, but this is not borne out by experience. We must look elsewhere for the causes of lapsation. The explanation will be found to be either the changed financial condition of the policyholder, or carelessness and indifference on his part. When a renewal premium comes due, he may decide unwisely that he would rather use the money for some other purpose and the agent's efforts to conserve the policy prove unsuccessful. No one profits from the lapsation of policies. A lapsed policy represents wasted effort. It results in a loss to the Company rather than a profit, and a loss to the policyholder in that he has, through his own fault, paid an unnecessarily high cost for the temporary protection he has enjoyed.

• • • •

ASSETS

The part life assurance plays in our economic system is not limited to its primary function of affording security to the individual. From the very nature of the business the companies, in the investment of their funds, are constantly contributing to the industrial welfare of the country. One of the main features of our democratic system is that it enables the savings of many persons in all ranks of life to be employed in meeting the economic needs of the country. Life assurance companies perform this very function. Their funds are the accumulation of small payments contributed by millions of policyholders scattered over the length and breadth of the land, money which otherwise would have remained idle in the pockets of the individuals but which when brought together into a common fund, form a vast reservoir of money, available for long term investment. The total assets of our Company have now reached the sum of $1,421,982,913, being an increase of $78,849,938 during the year. The assets are invested in government bonds, a wide range of industrial, public utility and other bonds and stocks, in mortgages, real estate for the Company's use and occupancy, and loans to policyholders. Marked changes occur from time to time in the proportion of our funds invested in these various classes, illustrating how changes in economic needs and conditions influence investment trends. During the six years of war our energies were devoted to aiding the Allied Cause in every possible way, and so the major portion of money available for investment during that period was placed in Government Bonds, chiefly of Canada, the United States and Great Britain. The following table showing the distribution of our Company's assets at the end of 1938, 1945 and 1947 is interesting and instructive.

Distribution of Assets over the various classes of investments

	At end of 1938	1945	1947
Gov. and Mun. Bonds ..	27.1	56.0	54.5
Public Utility Bonds	12.1	15.2	15.4
Industrial & other Bonds	9.2	4.1	7.5
Pref. & Guaran. Stocks	1.7	1.8	2.6
Common Stocks	27.1	8.4	4.9
Mortgages	3.9	4.6	6.2
Real Estate	2.8	1.4	1.1
Policy Loans	9.9	4.6	4.0
Cash	3.0	1.5	1.4
Miscellaneous	3.2	2.4	2.4
Total	100.0	100.0	100.0

Comparing 1945 with 1938 we observe the full impact of the demands of war. During that period Government bonds increased from 27% to 56% of total assets. The comparison of 1947 and 1945, shows that during the past two years we have proceeded to a moderate extent in directing the flow of our funds to supply the needs of industry and commerce. We have devoted particular attention in recent years to the making of mortgages, by aiding in the financing of various housing projects, by advancing money on mortgages to individuals for the construction of homes, apartment houses, etc. The result of these activities is reflected in the growth of our mortgage account which from $34,033,624 before the war has increased to $88,767,334 and now represents 6% of total assets. Of our total mortgage account $62,552,544 has been lent in Canada and $26,214,790 in the U.S.A.

The Policy Loan Account which represents 4% of assets is at the lowest point on record. A policy loan is not regarded by us as an investment in the accepted meaning of the word. Rather is it a privilege available to the policyholder in case of need, and which we advise him not to take advantage of if he can avoid doing so.

Policy In Force 7 Days Beneficiary Got $2,500 for Premium of $58.13

Companies Make Small Savings Available For Long-term Investment — More Than Half Continent's Population Are Life Assurance Policyholders, Mr. Wood Tells Meeting

We desire that our policy contracts should be maintained free of debt as far as possible so that the purpose for which the policies were taken will not be defeated or impaired.

All assets are taken into the statement at book values, in no case exceeding cost. The market values of bonds and stocks is in excess of book values, but no credit is taken for this excess.

SURPLUS EARNINGS

This item discloses the net results of the year's operations. It is that portion of the receipts from all sources, premiums, interest, etc., which remains after all obligations to policyholders falling due have been paid; all other liabilities provided for; all expenses met; the required amount set aside to be added to the reserve fund to meet future policy obligations, and appropriate additions made to any reserves required for other purposes. These earnings arise chiefly from favourable mortality, economies of management and interest realized in excess of the rate which must be earned on the accumulating funds to meet policy reserve requirements. Earnings from these sources are called normal surplus earnings, out of which dividends to policyholders are paid. Profits realized from sale and redemption of securities and other sources, because of their uncertain character, are termed "non-recurring."

During 1947 the mortality experience has been extremely favourable. The average rate of interest realized on total assets was less than in 1946, namely, 3.32% against 3.52% in 1946. Expenses were higher due to increased salaries, rents, and higher prices generally. Under these conditions the normal surplus earnings of $22,549,430 is considered an eminently satisfactory result. After providing for policyholders' dividends on the same scale as last year, credits to shareholders' account and Company retirement plans, the balance of the earnings, together with the non-recurring profits from sale and redemption of securities, has been added to special policyholders' reserves and surplus. The combined surplus and contingency reserve over all liabilities and capital stock has thus been increased by $4,085,465 and is now $89,408,545, or 6.7% of total liabilities.

Interest Rates

The problem of low interest rates continues to be the most important matter occupying the attention of the life assurance companies. The sufficiency of premium rates and the cost of life assurance depend more upon the rate at which the life assurance fund can be continuously invested than on any other factor. Once a policy contract is issued the premium cannot be increased, and so in calculating premium rates, it is essential to remember that life assurance contracts extend many years into the future and that due provision must be made to provide for possible but unpredictable adverse experience. I have already mentioned that the oldest policy which became a claim in 1947 had been in force for 67 years. The oldest policy on our books today was issued in 1882, 65 years ago. The premium rates adopted in these early days having been calculated on a conservative basis have proven sufficient to provide adequate safeguards against the effects of all adverse fluctuations that have occurred throughout the years, the result of wars, epidemics, booms and depressions. In addition, these policyholders have received substantial dividends, declared from surplus earnings.

At various times in the Company's history, premium rates have been adjusted for new policies to conform to changed conditions. Once again we have been faced with the important question of deciding what action should now be taken in the light of present low interest rates. The past eighteen years have witnessed a continuing fall in the interest rate, the extent of which may be illustrated by the fact that the average gross rate of interest realized on the combined assets of the one hundred largest United States Companies has fallen from 5.33% in 1928 to 3.19% in 1946. The past year is expected to disclose a further reduction, possibly to about 3%. Our Company's earned interest rate, as already reported, was 3.32% last year. What the future course of interest will be, it is difficult to forecast. We have had evidence in recent years of the power of Governments to control the interest rate and there are many other unpredictable factors which will affect its future course. In recent months there has been a moderate but definitely upward trend. Whether this trend will continue we cannot say positively. It is evident, however, that even a substantially higher rate obtainable on new investments can have but slight effect on the rate realized on a Company's total portfolio for a considerable period of time. At best, we should not look for more than a moderate and slow increase in the average rate to be realized on total assets for a considerable period. Faced with this prospect life assurance officials have been giving serious thought to the advisability of adopting new scales of premiums to be applied to new business. Our Company has made its decision and has adopted a revised scale, effective in Canada and the U.S.A. as from January 1st, 1948. The introduction of these new scales unfortunately has created in the minds of some people misunderstandings as to the reasons for the change and its effect. A word of explanation is necessary.

The introduction of new premium scales has been wrongly interpreted in certain quarters as a measure resulting from concerted action by the companies and one designed to increase the cost of insurance. Nothing could be farther from the truth. In the comments which follow, I will deal only with our own Company's action. Each company is a law unto itself. Our new premium scale does not produce a general increase in rates. The correct description is a revised scale, adjusted to meet present day conditions. These new rates have been calculated by using the most modern table of mortality available, one derived from the experience of assured lives on this continent during the years 1930-1940. A rate of interest of 2½% has been assumed for the accumulation of the mathematical reserve fund in respect of future business, instead of 3% heretofore used.

New Tables Used

The use of the lower mortality rates of the new table tends to reduce premium rates; the lower interest rate tends to increase them. Whether the new premium for any particular plan and age will be higher or lower than the old will depend upon the net effect of these two opposing forces. In the case of Ordinary Life policies and long-term endowments, the new rates are actually lower than those by the old scale. For all plans where the investment feature has greater weight than the death risk, the rates are higher. For example, the premium for an ordinary life policy, at age 30, will now be $23.30, against $24.20, a reduction of $0.90 per $1,000. A twenty-year endowment issued at the same age will cost $50.61 as compared with $49.85, an increase of $0.76.

Secondly, there has been no concerted action by the companies. On the contrary, each company decides questions of this character quite independently. The keen competition between the companies would of itself prevent such combined action. Thirdly, the change is not being made for the purpose of increasing the cost of life assurance nor will it have this effect. Cost is determined not by the original premium charged but by the net result after deducting dividends, and dividends depend on future experience. Policies issued before 1948 are not affected at all. Any difference between the old and the new rate for any particular plan and age will be allowed for in the dividend formula, and all other things being equal the net cost under either will be practically the same. The new scale produces a better balanced relationship between the various plans and ages, and provides for the maintenance of higher reserves for the protection of policyholders' contracts. In conjunction with the adoption of the new premium rates, the policy forms also have been revised. The tables of guaranteed values available on the termination of the contract, at any time, have also been revised, and on the whole are more liberal than those in use heretofore.

Loss of Director Felt Deeply

It is with deep regret that the Directors record the untimely death on February 1st, 1948, of one of their ablest and most distinguished colleagues, Mr. George W. Spinney, C.M.G. Throughout his six years of service as a member of the Board of Directors, his rare qualities of mind and character, coupled with his wide experience and balanced judgment, enabled him to make an outstanding contribution to the conduct of the Company's affairs. In his death we have lost an esteemed colleague who to each of his associates was a warm personal friend.

Staff

This review of the year's operations would be incomplete without paying a special tribute to the Officers, Members of Head Office and Branch Office Staffs, and Managers and Field Representatives throughout the world. The contribution they have made to the progress of the Company by their efficient services is well recognized and greatly appreciated.

In concluding this review of the year just passed I feel that we have every right to be proud of our record of achievement. In a world of uncertainty and unrest, the service of life assurance goes on, its fundamental purposes untouched by the disturbing influences of our times. Public confidence in our business has never been at a higher level. The tradition of stability and integrity so long associated with life assurance, continues to attract ever-increasing public acceptance in a changing world. We can, indeed, look forward to the year ahead with confidence, and with continued pride in our association with a service so humane and far-reaching in its effects.

The Financial Post
Vol. XLII Publication Office: Toronto, February 14, 1948 No. 7

Here Are Industry's Steps To Add DPs to Labor Force

Mines, Woods Top Applicants For 20,200 DPs

OTTAWA (Staff)—Canada's mining, clothing, construction and paper companies are main applicants for displaced person immigrants, according to figures tabled in the House of Commons last week.

To date, applications have been made for 20,200 DP's, of whom 5,091 had been admitted to Canada as at Dec. 31, 1947. Of the total applications, 3,000 are for domestics; 2,500 are for clothing workers; 2,055 for the CPR; 2,000 from pulp and paper companies; 2,000 from the Ontario Hydro-Electric Power Commission; 1,600 for lumber companies. Another 2,200 were for Canadian mining companies.

The complete list follows:

Company or Organization	Applications	Arrivals
Spruce Falls Power & Paper Co.	600	600
The Great Lakes Paper Co., Ltd.	420	420
Abitibi Power & Paper Co., Ltd.	597	597
Brompton Pulp & Paper	400	400
Driftwood Lands & Timber Co.	100	100
Gillies Bros. & Co., Ltd.	70	70
Hammermill Paper Co.	25	25
Kalamazoo Vegetable Parchment Co., Ltd.	150	150
A. E. Wicks Ltd.	150	150
Kormac Lumber Co.	50	50
Nipigon Lake Timber Co.	200	200
Pigeon Timber Co.	300	300
J. J. McFadden Lumber Co.	100	100
Mountjoy Timber Co.	40	40
Rudolph-McChesney Lumber Co.	60	60
Marathon Paper Mills of Canada	200	100
T. S. Woollings & Company	100	50
Woollings Forest Products	50	25
Barry's Bay Lumber Co., Ltd.	25	
Staniforth Lumber Co.	25	
Singer Co., Ltd.	35	
R. F. Welch Construction Co., Ltd.	1,500	95
Canadian Pacific Railway	2,055	175
Algoma Central Railway	80	
The Hydro-Electric Power Commission of Ontario	2,000	91
Hollinger Cons. Gold Mines	300	60
Kerr Addison Gold Mines	90	12
Kirkland Lake Gold Mines	20	
Lamaque Mining Co.	30	4
Leitch Gold Mines	15	
Little Long Lac Gold Mines	40	
Malartic Gold Fields	90	25
Pamour-Porcupine Mines	30	
Paymaster Cons. Mines	44	
Sigma Mines (Quebec)	35	5
Stadacona Mines Ltd.	15	
Sylvanite Gold Mines Ltd.	42	6
Teck-Hughes Gold Mines	24	
Central Pat. Gold Mines	75	
Keno Hill Mining Co.	50	
Madsen Red Lake Gold Mines	50	
Delnite Gold Mines Ltd.	35	
Perron Gold Mines Ltd.	40	10
East Malartic Gold Mines	100	25
Lake Shore Mines Ltd.	50	
Pickle Crow Gold Mines	125	40
Hasaga Gold Mines	125	20
Starrat Olsen Gold Mines	100	10
Bathurst Feldspar Mines	10	
Belleterre Quebec Mines	5	
Campbell Red Lake Mines	25	
Canadian Johns-Manville	25	
Can. Malartic Gold Mines	10	
Chesterville Mines Ltd.	15	
Coniarium Mines Ltd.	15	
Consolidated Beattie Mines Ltd.	50	
East Sullivan Mines Ltd.	25	
Falconbridge Nickel Mines	20	
Golden Manitou Mines	50	4
Hallnor Mines Ltd.	12	
Louvicourt Goldfield Corp.	25	2
Macassa Mines Ltd.	32	2
Matachewan Cons. Mines	20	
McIntyre Porcupine Mines	60	
Noranda Mines Ltd.	200	10
O'Brien Gold Mines Ltd.	40	
San Antonio Gold Mines	75	
Waite Amulet Mines Ltd.	70	
Wright-Hargreaves Mines	12	
Buffalo Ankerite Gold Mines	50	
Cons. Central Cadillac Mines	30	
McKenzie Red Lake Gold Mines	6	
Molybdenite Corp.	25	
Renabie Mines Ltd.	20	
Senator Rouyn Ltd.	20	
Sheep Creek Gold Mines	25	
Sullivan Consolidated Mines	50	25
Toburn Gold Mines Ltd.	10	
Dionne Spinning Mills	100	100
Woods Manufacturing Co.	100	
Primary Textiles Institute	100	
Milton Brick Ltd.	10	
Interprovincial Brick Co.	10	
The Cooksville Co., Ltd.	40	
Booth Brick Co., Ltd.	10	
Toronto Brick Co., Ltd.	10	
Brampton Brick Co., Ltd.	10	
F. B. McFarren Brick Co.	5	
Steel Co. of Canada Ltd.	175	
Algoma Steel Co.	215	
Imperial Iron Corp.	64	
Hahn Brass Co., Ltd.	15	
Smith Bros. & Wilson	20	
Bird Construction Co.	12	
Canadian Construction Assoc.	180	
Aluminum Co. of Canada	50	
Essex Packers Ltd.	100	
The National Council of Clothing Manufacturers of Canada	2,316	36
Montreal Dress Manufacturers Guild	200	
The Canadian Terrazzo and Mosaic Contractors' Assoc.	70	
Can. Jewish Congress—Orphans	1,000	193
Domestics	3,000	704
Maltese	500	
	20,201	5,091

It was announced that at the present time Canada has immigration offices in Paris, Brussels, the Hague, Rome and Heidelberg. The latter office was recently established as a headquarters for the Canadian Government immigration mission which is presently engaged in examination of displaced persons in Germany and Austria.

By arrangement with the Department of External Affairs, displaced persons may also be examined and granted visas in Oslo, Stockholm, Copenhagen, Warsaw, Berlin, Prague, Berne, Athens, Lisbon and Moscow.

There are presently six travelling teams of immigration officials engaged in examination of DP's in Germany and Austria.

By GORDON M. GRANT

How can we get displaced persons for our industry?

That's the question many Canadian executives are asking themselves at this time, as they eye the Dominion's high employment levels and consider their future requirements.

Scattered across the British-United States zones of Germany and Austria are hundreds of thousands of DP's, many of them anxious to come to Canada to work in any capacity. Already 5,000 have been brought out; industries have placed on file applications for 16,000 more. (See accompanying story.)

Here, in question and answer form, is the procedure based on the experience of the Canadian mining industry:

How does an industry go about securing DP's? What is required?

The industry applies to the Department of Labor at Ottawa. DP's are brought into Canada under authority of special orders-in-council.

Officials at Ottawa will want to know the answer to these questions:

Do unfilled jobs represent positions which there aren't Canadians to fill?

Will the industry guarantee housing accommodation equivalent to that of Canadians doing similar work?

Is the industry prepared to pay wages similar to that received by Canadians doing similar work?

Unless the answer is "yes" to all three questions, the prospective employer can forget about DP's.

Since Nov. 18, 1947, the Canadian Metal Mining Association has had a four-man team at work in displaced persons camps in Germany to select 2,200 DPs for work in about 60 Canadian gold and base metal mines.

That team comprised John Kostuik, assistant general manager of Sladen Malartic Mines (a former Queen's rugby player); Dr. Ed. Flahiff, Kirkland Lake, Ontario Workmen's Compensation Board; Harlow H. Wright, an official of the Canadian Metal Mining Association; and George Smeltzer, associated with Dome Exploration Co.

John Kostuik, Mr. Smeltzer and Mr. Wright have arrived back in Canada recently with a wealth of information on the DP question. To acquaint Canadians with the procedure for securing DPs, their possibilities, and treatment being accorded them in Canada, The Financial Post does a "question and answer" on their information.

Can the industry select its own men? Or does the IRO (International Refugee Organization) have the last say?

The industry makes its own selection. It is not the IRO but later screening by other Dominion Government organizations in Europe that may result in rejection of certain selectees because they can't meet full requirements.

What happens when a Canadian selection team reaches a DP camp under an IRO appointment to select men?

Forewarned, IRO officials at the DP camp (located in either the British or United States zones of Germany) have made a preliminary selection of individuals eager to come to Canada and who appear to be types suitable for the work in mind. The selection team is provided with the rehabilitation and resettlement cards of these individuals and the IRO folders on what the individuals did. There is a complete life story of each man.

The mining selection team emphasizes that IRO should be provided in advance with as complete information as possible on the type of individual desired.

What do you look for in individuals when making selections?

Individuals should be sought who can "fill the job." Later screenings take care of political undesirables, etc.

The "job" sets the requirements. The mining industry was looking chiefly for underground men for mucking of ore in mines. The selection team looked first for a strong neck, a deep chest and strong hands. The selection team emphasized intelligence and literacy as well as physique. But one of the team told The Post, "We were careful about people with curly hair and long fingernails."

It would be useful to provide IRO public relations men with information on what jobs in Canada are like.

Is the supply of DP labor large enough to fill labor shortages in needed categories for some time to come?

Yes. There are hundreds of thousands of DP's available. Their resettlement is likely to take years. Belgium has taken the largest number so far. Thirteen countries have taken DP's to date. The United Kingdom is taking 1,500 a week and will take at least 90,000.

What is a DP? What are his racial and religious characteristics?

A DP is a displaced person who won't or can't return to his homeland for fear of persecution. They are anti-communist, anti-fascist, as a class. Usually they represent German slave labor. But they are not Germans. The majority are Balts (Estonians, Letts, Lithuanians), Ukrainians and Poles. Jewish people have separate DP camps in most cases. In the camps to which the mining selection team was directed, 90% of the individuals were Orthodox or Roman Catholic.

The DP's from eastern Europe do not regard their countries as free and have refused to return to their former homes. Selection teams are welcomed with "open arms"; a chance to come to Canada is highly prized.

Are DP's likely to prove willing workers?

The mining industry believes the answer to this is yes. Most of the DP's have been longing for years for just the chance to work. Despite the hazard of a 1,500 calories a day diet, DP's generally are in surprisingly good shape. The women have suffered somewhat from a high starch diet.

DP's have shown great industry and patience in making things in their own camps, have even built churches. Many highly educated people in these camps would deem it a privilege to come to Canada and work at even menial jobs. The mines weren't after skilled technicians.

How many individuals have to be screened to get the number of selectees desired? What are additional screenings before a DP is selected to come to Canada?

The mining industry selection team interviewed 5,500 individuals, selected 2,800 as suitable for working in Canadian mines. Further medical, security and other screenings are expected to reduce this number to between 2,200 and 2,300 men.

It is estimated that probably 18% of the 2,800 selected in the first interview will be rejected by the mining industry doctor. It is not necessary for an industry team to provide a doctor however. The DP's are X-rayed for TB and will not be taken unless there's no TB and no susceptibility to silicosis. A good 20% to 30% of men turned down for mining would be perfectly satisfactory for other industries.

A skilled Dominion force screens individuals selected for security purposes. A screening is carried out by the Dominion Department of Labor to determine if individuals are suitable for employment proposed. Any later rechannelling is done through them. The Department of Immigration carries out its own separate screening. Their officials decide whether DP's are legally eligible; and they issue visas. If a married man is coming over his family has to be cleared.

Who pays transportation of DP's to their jobs? Who looks after them when they arrive?

The International Refugee Organization pays the way of all DP's to the port of debarkation. The individual mining company pays the transportation and meal cost of DP's in Canada, deducts it from wages over a 10-month period. If the DP sticks to his job in mining for 10 months, this money is refunded.

The DP's are met by representatives of companies and an IRO official on arrival in this country.

What undertakings do the DP and company make with respect to work in Canada?

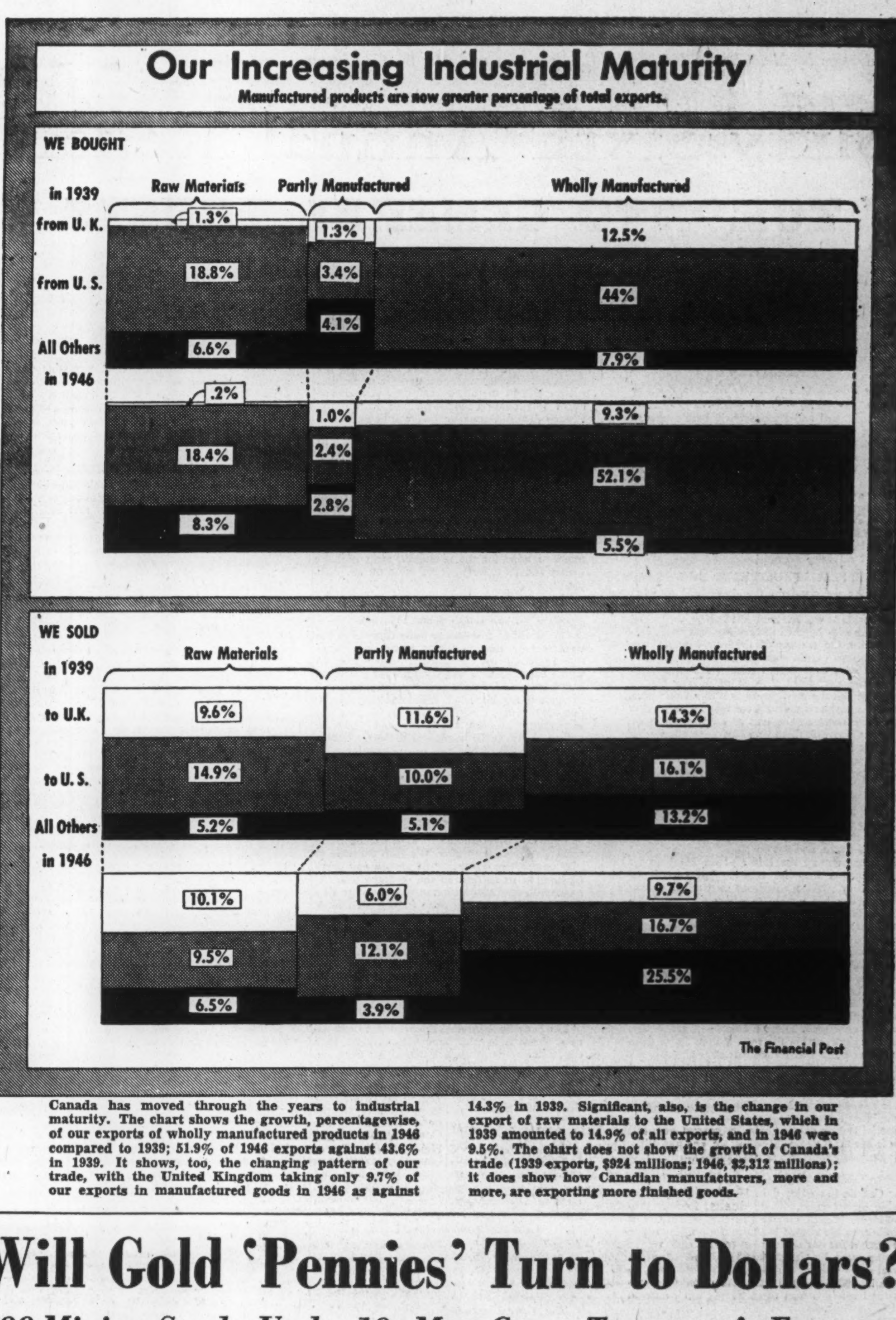
Before he leaves Europe, the DP completes an undertaking with the Department of Immigration covering his proposed employment. When he arrives in Canada, the DP voluntarily enters into another agreement with an individual company covering a stipulated term of employment, etc.

Are any arrangements made for DP's to learn English and to become good Canadian citizens?

Booklets are being provided DP's by the mining industry to acquaint them with English equivalents of common Canadian terms, particularly those they will meet in their employment. Special night classes are being held in Ontario with 16 school teachers enlisted in Timmins alone to carry out training. Courses are expected to lead to citizenship.

Will married DP's be able to bring out their families?

Yes. As families have already met medical and security requirements, they can be brought out as soon as housing is available. The IRO will be responsible for their transportation to this country, it is stated.



Canada has moved through the years to industrial maturity. The chart shows the growth, percentagewise, of our exports of wholly manufactured products in 1946 compared to 1939; 51.9% of 1946 exports against 43.6% in 1939. It shows, too, the changing pattern of our trade, with the United Kingdom taking only 9.7% of our exports in manufactured goods in 1946 as against 14.3% in 1939. Significant, also, is the change in our export of raw materials to the United States, which in 1939 amounted to 14.9% of all exports, and in 1946 were 9.5%. The chart does not show the growth of Canada's trade (1939 exports, $924 millions; 1946, $2,312 millions): it does show how Canadian manufacturers, more and more, are exporting more finished goods.

Will Gold 'Pennies' Turn to Dollars?

600 Mining Stocks Under 10c May Carry Tomorrow's Fortunes

Can the small investor with just "nickels and dimes" make a real killing in gold mining the next few years?

With shares of almost 600 listed and over-the-counter gold prospects selling below 10 cents a share, never has so much been sold for so little since the almost forgotten days before the war.

A bank roll of $500 doesn't buy nearly so much now at the corner grocer's. But it buys a lot more shares in the gold mining market. It's 20,000 shares of a 5c stock; 20,000 shares of a 2½c stock.

It will buy more than 8,000 shares of stock in a company with a 500-ton mill on it—Omega; but we can't guarantee that this particular mill will ever operate again.

Will the wheel of fortune again favor gold mining and permit lucky individuals to cash in on a little foresight, or hindsight? The "turns" in gold mining usually come when least expected. But history shows they do come and the bargain hunter usually has his innings.

Will History Repeat?

One small dealer a few years ago was reputed to have collected up hundreds of thousands of shares of various issues at below the 5-cent a share mark. Only issues were selected which appeared to have some chance minewise.

The theory behind the buying was that when the next boom developed, the issues concerned would probably be revived. As the Ontario Securities Commission does not usually permit sale of treasury shares below 5c a share, the promoter would have to run a market at well above five cents a share if promotional expenses were to be met and a profit shown as well. That was the reasoning. The individual was looked on as almost an eccentric at the time. But he eventually realized some very fine profits indeed.

Return of the Bargain Hunter

With hopes bolstered by a free market for gold in France at $70 (U. S. funds), the bargain hunter has returned to Bay St., Toronto, and St. James St., Montreal.

He is looking for gold prospects with ore situations at penny prices. He wants situations where property results have been good enough to warrant resumption of operations with a higher price for gold—or a lower level of costs.

He is concerned about management. He is even more concerned as to whether the issue of a great many shares will require the capitalization to be "put through the wringer" with a scale-down in individual shareholdings. If a reorganization is impending, he is willing to buy. But his bid is lower.

Lots of New Faces

As a result of the wartime diamond drilling boom and subsequent work, there are a great many properties that would stand a chance of re-opening should a price for gold develop here anything like that in France. Of course, there is no guarantee that a higher price for gold in France may mean a higher price here.

While the range of interesting speculative issues on the dormant list is longer, prices of many better issues are above the five cents a share mark.

But with property after property being forced to suspend operations for the same reason—"out of funds"—the bargain hunter figures he can probably pick up issues that could do very well later on. He believes the "leverage" on the pennies should be a lot more than in the senior and junior producing golds if a higher price for gold should develop.

What are the issues on the bargain hunter's shopping list? Various individuals express different kind of preferences. But at the 15 cents and under price, here are some of the issues that are being watched:

Issue:	Mkt. c.
Abino	4-7
Brown McDade	8-10
Cassidy Ykfe.	4-6
Colomac	5½
Craibbe Fletch.	10-12
Elmac	3½-5
Erin Kirk.	2-3
Golden Arrow	10
Indian Lake	6
Jack Lake	4-5
La Salle	6½-7½
Lunward	15
Marbenor	8-10
Martin Bird	3½-4
Nat. Malartic	11-13
Norbenite	14
Obaska Lake	13-15
Russett	4-6
Salmita	6-8
Thurbois	10
Vinray	7-9
Wekusko	13½
Wingait	8

A large number of these companies have a share issue approaching three million shares or higher. Even with better conditions, most might have to reorganize to secure needed finances. But others might finance through to production without any re-organization at all.

For instance, the inactive Brown McDade which opened up 400 ft. of ore in an adit averaging .40 oz. gold plus some silver across drift width has less than two million shares outstanding.

Wekusko, on the other hand, has almost four million shares. It may have to re-organize even though the management reports that sufficient ore has been outlined by underground work to justify mill installation.

Norbenite, like Wekusko, has had some luck in underground work (600,000 tons of $6 ore has been outlined). But there is a share issue of 3.353,338 shares, which is a lot of stock outstanding when there is the question of raising funds for a mill.

Cassidy, Jack Lake, Lunward, Russett Red Lake, Salmita and Wingait, all figure that their results have been good enough to warrant underground work. Times are tough, however, and only one sells over a dime. Stock sold at such prices doesn't give the money to put mines into production. Results at Lunward and Russett Red Lake have been quite encouraging. But plans have to be curbed when money runs out. Wingait completed its drilling, installed a mining plant. Only a switch has to be thrown to turn the power on for shaft sinking—when the money is available.

Yellowknife Situation

Costs in Yellowknife area are high. Low-grade propositions "haven't a chance" at the present price of gold, mining men figure. But if the price of gold should ever take a sharp spurt upward, things like Colomac and Indian Lake might take a surprising spurt too. They show a surprisingly high tonnage per vertical of foot that a $50 price for gold might convert into ore. Even when a mine has had some encouragement in underground work, there is no guarantee that the "market will catch on." Thurbois and Vinray, for instance, don't sell as high as Lunward which has yet to get underground.

The public are often said to have short memories. But the market suggests that the public does not very often forget ore—or material that may become ore. No work of consequence has been done at Martin Bird and National Malartic for years. But the public still is willing to buy these stocks. Norbeau which finished drilling a decade ago with fairly favorable results is still 60 cents bid even though no work has been completed since

No one knows when the next boom in gold mining will come. But when it does come, there appear to be lots of "ingredients" to get it going even among the pennies. There are literally scores of issues on which further work would be warranted.

Canada's 'Old Curiosity Shop'

War Assets Has Plenty of Odds and Ends

MONTREAL (Staff) — When it comes to knickknacks and gadgets, War Assets Corp. has about the best stock in Canada. After cleaning out a good part of its war-filled barrel of supplies it is now uncovering some interesting items. It has, for example, a 220-kilowatt hardening furnace, and a mechanism which makes fresh drinking water from the salty sea. On the prosaic side it has a 24-ft. metal lifeboat, complete with engines; and one slightly used hotel in Nova Scotia.

These are only a few of WAC's bottom-of-the-barrel items for which it hopes to find buyers. Down on the Atlantic coast there are small naval craft including motor boats, dories, lifeboats, surfboats, and whalers. Then again, it can supply anyone with 4,000 cases of spare parts for the maintenance of Sexton self-propelled 25-lb. artillery. Within the cases are such useful items to artillery maintenance as electrical and lubrication systems, auxiliary generators, hull structures and fittings, and track assemblies.

Probably the most heterogeneous collection of items is found in WAC's real estate department. There is a parcel of land totalling about an acre and a half in Esquimalt, B.C., and another 6,050 sq. ft. of vacant land at Portage and Lipton St. in Winnipeg. WAC also has a piece of land with a building on it at Kingston. The slightly used hotel, referred to above, is the Elmwood at Liverpool, N.S. This was used by the navy during the war and is now available with the land on which it stands; about 9,800 sq. ft.

In Grande Prairie, Alberta, there are 5.7 acres of land with a two-story house and garage. A quarter of an acre on Almon St., Halifax, has a one-story building on it with 6,000 sq. ft. of floor space.

If you want buildings but no land, WAC has some, also. At Saint Lambert, Que., it recently offered by tender 25 Nissen-type metal huts, 30 ft. long. At Malton, Ont., a former RCAF building is offered for removal from the site. The same kind of offer is made in connection with a 125-bed hospital building and pump house at Tofino, B.C.

Here are some other items which WAC has offered within the past three or four weeks:

Calgary and Vancouver — A number of four-engine Lancaster aircraft, complete with engines, for salvage purposes only. Machine tools, grinders, lathes, presses, boring machines. Hand tools, steam tables, gas lamps, electric toasters, tailors' electric irons, vacuum cleaners, industrial and mine-safety apparatus.

Halifax — Signal projectors, and spare parts for Lenthrop gas engines.

Windsor — Large quantities of commercial and military type parts and spares for Ford vehicles. If you are still interested in turning sea water into fresh, WAC's "Young's junior fresh water producers" are in Halifax and come in watertight metal containers. Distillation action is effected by burning briquettes, a form of condensed heat. As the sea water condenses, fresh water may be drawn off by means of a tap; a second tap draws off the salt residue. The sets weigh 35 lb. and are capable of producing one gallon of potable water an hour.

Addresses by Mr. Charles McCrea, K.C., President and Mr. W. G. Watson, Vice-President and General Manager

Sixty-Sixth Annual Report

TORONTO GENERAL TRUSTS

Report Steady Progress in 1947

Assets Under Administration Now Total $300,000,000

PRESIDENT

The President, Mr. Charles McCrea, K.C., in moving the adoption of the Report, said in part:

Your Board and Executive are here to-day to present the annual account of their stewardship. We have enjoyed an excellent year and our reports show sound and continuous progress. Mr. W. G. Watson, our General Manager, has given you an explanatory review, supplementing the report on behalf of the Board to the Shareholders. I am happy to extend to him the congratulations of the Board and, I am sure, of the shareholders, on the fine achievement of himself, his loyal staff in all branches, as well as to our competent and helpful Advisory Boards.

PEACE PLANS FRUSTRATED BY RUSSIA

To-day we stand on the threshhold of what promises to be an eventful year in the history of the world. At our last Annual Meeting, we looked forward with hope to the finding of a peace formula for the nations of the world with great expectations of the blessings of peace to follow. While such expectations have failed of realization, the prolonged discussions of the United Nations and the meetings of the "Big Four" both at Paris and at London have demonstrated that we have come to the end of an illusion. That illusion was that there could be a community of interest between a free society, such as we enjoy, and a communist conspiracy aimed at the destruction of free society.

SECOND MARSHALL PLAN

The protracted effort to find a formula embracing the world has been irritating and disturbing to the oppressed and to Governments of the western world, and has developed acute economic situations among the free nations. Many of its governments may be called "governments of emergency", facing situations as they arise from day to day but unable to advance along stable lines. Emergency help had to be granted to France and Italy, and other places, to tide them along, in the face of strikes and danger of revolution. So keen was the pressure in France that they have been forced to a devaluation of the franc which is likely to produce repercussions in other directions. Loans made by the United States to the United Kingdom, and loans made by Canada to the United Kingdom and other countries, are almost exhausted. There is trouble in many parts of the globe, and while the situation is far from hopeless there will be anxious days ahead of all countries in 1948. In the meantime a modified Marshall Plan has been proposed on the basis that free nations of Europe should be extended needed aid and consolidated into a western world outside the "iron curtain." This proposal is now before a special session of the United States Congress and it is but truth to say that all of the western world is anxiously waiting a satisfactory outcome.

CANADA PROSPEROUS IN 1947

Canada has enjoyed in large measure a valuable export trade. World demand for our products for consumption and for a rehabilitation of industrial life abroad has been the primary cause. Payment for our exports has come largely out of loans made by Canada to the United Kingdom and other countries, and by the United States to the United Kingdom. Canada is geared to an all-time high industrial capacity, and our future in 1948 will be closely tied to sales of our industrial products in markets which are able to pay for them.

EXPORT-IMPORT POSITION

Our export-import trade position is interesting. Canada's total exports of Canadian products for 1947 (January to December inclusive) excluding non-monetary gold amounted to $2,774,000,000. These exports are divided as follows:

To the United States	$1,040,000,000
To non-dollar areas (including $751,200,000 to the United Kingdom	$1,734,000,000
	$2,774,000,000

This is an increase of $462,000,000 over 1946, and an increase of $1,936,400,000 over 1938, the last year prior to the war.

While the figures are not available to the end of December, 1947, for our imports, nevertheless from the period January to November inclusive our total imports for consumption were $2,379,800,000 of which total some $1,833,000,000 came from the United States, and $546,800,000 from non-dollar areas including $169,100,000 from the United Kingdom. It will be readily seen that our purchases from the United States are very much higher than their purchases from us. On the other hand, our exports to non-dollar areas largely on the strength of Canadian loans to these countries are of much greater value than our imports from them.

In order to offset the large unfavourable trade balance with the United States, Canada for her protection is substantially reducing imports from that country. This is an emergency measure made necessary by the long wait to find a peace formula and our excessive purchases in the United States. To pay for the excess purchased from the United States, we have been drawing heavily on Canada's holdings of U.S. dollars and gold. On July 5, 1946, the Dominion Government declared a parity of exchange between the United States and Canadian dollar. At that time Canada had on hand $1,624,000,000 American dollars. Because of unfavourable trade balances since that time between Canada and the United States, our Canadian holdings of U.S. dollars had dropped at the end of November, 1947, to $480,200,000. From January to November, inclusive, in 1947, we had a deficit in trade with the United States of $884,200,000. To sum up:—

1. Canada's export business for 1947 played a large part in Canada's prosperity.
2. This export trade was predicated largely on the loans extended by Canada and, indirectly, loans made by the U.S. to our purchasers.
3. Further Canadian loans to carry our export trade are debatable.
4. Our parity of exchange with the United States is slowly but surely wiping out Canada's reserve of U.S. dollars.
5. Canada will not participate directly in the Marshall Plan but can hope to share in its benefits indirectly by being able to sell its products in countries receiving American dollars.

POSITION OF GOLD MINING INDUSTRY

Canada has enjoyed an excellent sale of its agricultural products, its pulp and paper products, its fishery products, its base metal products of copper, zinc, lead, asbestos, nickel and iron; but one of our basic industries, namely, gold, has been fighting a losing battle. The loss of $3.50 an ounce when Canadian exchange was moved to parity with that of the United States in July 1946, rising costs of labour and supplies, and in many cases lack of efficient labour, have been a substantial detriment to the gold industry, to the towns and villages dependent upon it, to the prospector and to the allied industries who contributed industrial products for use in mining. Present signs indicate that there will be some help from the proposal of the Dominion Government to pay a portion of the costs of the production of an ounce of gold where such costs exceed $30.00 per ounce. Some mines will benefit substantially, others little, but under existing world conditions it is a gesture of recognition to an industry that has played an outstanding part in Canada's economy. Signs are not wanting, however, to indicate that gold is destined to march back to its old-time place as arbiter of currencies, and Canada has much to hope for the re-establishment of hard money and its consequent reflection on our gold production.

CO-OPERATION WITH U.S.A. AND COMMONWEALTH

Our world of free society looks forward to the stability of a freedom-loving world, bulwarked and protected by the Christian principles on which our western world was founded and built. It is important for us to promote, encourage and strengthen the bonds of friendliness, goodwill, not only with all nations who reciprocate but particularly between the great and powerful United States to the south and the great British Commonwealth of Nations. In co-operation with these world powers, and moving together in trust and friendship, we can exert a powerful influence in shaping the destiny of the world of tomorrow.

FUTURE FOR TRUST SERVICES

Your Corporation looks forward confidently to Canada's expanding future. We shall continue to play our part in advancing its growth and participating in its success. In the complex financial and commercial civilization of which we are all a part there is increasing need for the services of your Trust Corporation. I heartily commend it to your consideration.

GENERAL MANAGER

The General Manager, Mr. W. G. Watson, said in part:—

STEADY GROWTH IN ASSETS

The Sixty-Sixth Annual Report of the Corporation, which is in your hands, marks again with clarity the steady progress which we are enjoying.

Another milestone has been set up in the history of the Corporation in passing, as we did in 1947, the $300 million mark in total Assets under Administration.

The figures in the following table record our steady growth during the past decade, which period includes the tragic years of World War II; and bear witness to the ever-increasing confidence which the public across Canada places in the Corporation in the administration of estates, investment of Trust funds and in acting as Agent in personal and corporate capacities.

Total Assets under Administration

As at December 31, 1937	$237,501,000
As at December 31, 1942	250,573,000
As at December 31, 1947	300,124,000

SHAREHOLDERS' FUNDS

The Capital account, or our Shareholders' funds, at $6,053,363 shows a net increase for the year of $111,199.

In Montreal, where we have completely outgrown our present space in the Yorkshire Building on James Street, we are glad to inform you that a new three-storey office building is well under way on the Southwest corner of Notre Dame and St. Peter Streets, a site which we acquired some two years ago.

GUARANTEED TRUSTS ACCOUNT

With the continuing difficulty in obtaining satisfactory media of investment for new funds at yields commensurate with what your Directors have set as fair rates of return to our investors in Guaranteed Certificates and Savings depositors, we have restricted the growth in this Section of the Balance Sheet during the past year to conservative proportions.

This Section of the Balance Sheet shows a total of $22,724,229, or a net increase of $1,112,509.

The market value at the end of the year of all securities of the Dominion of Canada, Provinces and Municipalities of Canada held in the Capital and Guaranteed Trusts Sections was substantially in excess of the book or cost value at which they are held.

Our liquid position in relation to Savings on deposit at 153% is a high record.

ESTATES, TRUSTS AND AGENCIES ACCOUNT

The total Assets under Administration in this Section at $271,347,000 represent an increase for the year of $2,644,686.

The importance of this Section, which represents the primary function of the Corporation, is illustrated by the fact that the year's net increase in Assets under Administration, as shown above, is arrived at after deducting from the new business assumed during the year, totalling $28,921,161, all capital disbursements by way of distributions to beneficiaries which became payable during the year, succession duties, estate debts, etc. together with income payments in connection with all estate, trust or agency accounts under our administration.

ESTATE PLANNING

Estate planning for substantial estates has become a recognized and important function of modern trust company service. Its purpose is to make property more useful to those who own, or are to have benefit of it. It is a practical and scientific approach to the best arrangement of one's assets during his lifetime, with a view to their ultimate disposition by Will.

One of the principal factors, although not always the most important, is of course the tax position under various agreements. As a rather striking example of what may be accomplished in this regard, we may indicate the tax saving in two plans of arrangement in an estate of $250,000.

In Plan No. 1, the estate is left outright by Will to the wife and at her death she passes the residue by her Will to two children. The total succession duties under this Plan are approximately $95,200.

In Plan No. 2, gifts totalling $50,000 are made to two children, which if spread over ten years are free of gift tax; an annuity of $1,200 is provided for the wife through a living trust or life insurance settlement; and a life interest in the residue of the estate is left by Will to the wife with remainder to the children at her death. Provided the testator lives for five years after this Plan is effected, the total succession duties under this Plan are approximately $32,000. This is a saving of some $63,200 over the first Plan.

Our Estates Analysis Department, which has been in operation for over twenty years, is well equipped to give practical information and assistance in these matters.

BUSINESS INTERESTS

A business interest, either a sole proprietorship or a majority holding of a private business enterprise, often forms a substantial part of a man's estate. In such cases, special consideration should be given now by the owner as to how best this can be handled when his estate falls in for administration. In many of these cases, there is also the problem of preserving the business and at the same time providing sufficient estate liquidity to pay the succession duties. Where this problem exists it is not realistic for the owner to ignore it during his lifetime.

TRUST COMPANY FEES

There still seems to be considerable public misunderstanding as to the fees of a trust company in acting as executor and trustee in the administration of an estate, and an impression that they are too expensive to be of interest to the man of average means. An investigation will show that this misunderstanding has no basis in fact, and that the volume of trust company administration of small or average sized estates—with this company as with others—has shown a steady increase. The fact is, the corporate Executor and Trustee is under the same obligation as a private Executor to pass its accounts and have its compensation fixed by a Judge in the presence of the beneficiaries if they wish to attend.

AGENCIES AND TRUSTS

Our Corporation also offers a great variety of agency service, both personal and corporate. We now announce a new agency service, known as "An Investor Service", for your securities. Many men are finding that they have neither the time nor the knowledge required to give proper attention to their investments under to-day's conditions, and that they can more profitably delegate this work to a fully qualified and experienced agent.

Under this new agency agreement the Corporation will, in addition to collecting and distributing income and re-investing capital as you may direct, at least once in each calendar year give you the benefit of a review of your securities portfolio, and from time to time make suggestions as to sales, retentions, purchases and such other action in respect thereof as may appear advisable in your interests.

The fees for an agency service of this kind are less than those of a trustee in the administration of an estate or trust for the reason that the trust company assumes very different responsibilities under the two relationships.

NEW LEGISLATION

A most important item in the field of taxation is Bill 454 providing for a complete overhaul of the Federal Income Tax Act with a view to consolidating and clarifying its provisions in addition to the introduction of important amendments. No other taxing statute is of such concern to the people of Canada, and the Dominion Government is to be commended for the procedure it has adopted in connection with its revision.

The Trust Companies Association of Ontario is preparing a brief on the taxation of estates, trusts and gifts, which will make submissions in the public interest to the Minister on the relevant sections of the Bill. The second reading of the Bill and its discussion in the House will be awaited with interest.

CHARITIES

Ontario gives generous encouragement to those who are charitably minded by exempting bequests to Ontario charities from succession duties. Not only is the gift itself exempt, but the value of the gift is immediately excluded from the aggregate value of the estate which determines the rate of taxation for the remainder of the estate.

Under the Dominion Succession Duty Act, charitable gifts are themselves exempt from taxation but only after three years are they excluded from the aggregate value of the estate which, as above explained, determines the rate of tax. Furthermore, charitable gifts, whether by Will or within three years from the date of death, are exempt only up to fifty percent of the value of the estate.

We believe that the Dominion Government should amend its Succession Duty Act in line with Ontario to grant full exemption to all gifts made for charitable purposes in Canada.

HIGH COST OF NEW HOUSING

Unhappily, costs have continued to rise with the result that while the need for new homes has not been met, many houses — some already finished and more nearing completion — remain unsold in different cities in Canada because of prohibitive prices. This situation, together with excessive costs of other finished products, is already being reflected in an important number of unemployed in certain of our Canadian cities. It would be serious if through misunderstanding or lack of co-operation we should have to learn the hard way, that in the end no one gains when the cost of any commodity reaches figures beyond those economically sound or above the price the consumer can afford to pay.

Our economy can stand reasonably short hours and high wages, but it cannot long continue without a serious break where high wages or salaries are being paid for a day's production by the individual which in many cases is not more than sixty percent of his day-to-day production just prior to the war. This situation is not limited to any one class or group of workers, but is widely extended. Indeed, in talking to a prominent lawyer recently, I suggested he was not getting anything like the former production from his office staff, and his reply was, "I don't even get it from my partners".

Whether as employees in any capacity throughout Canada we, as individauls, consciously or otherwise reduce our day-to-day production, or, as employers, unnecessarily increase the sales price to the consumer, we are contributing directly to the increasing cost of living to ourselves as well as others and adversely affecting our ability to sell our goods in foreign markets.

No country in the world has a finer opportunity than Canada for a high standard of living with the war-effort record we enjoy and our international reputation for fair dealing with other countries; provided employer and worker alike join hands in a great united effort to face the facts and pay the price in work and understanding for a truly great national achievement in the interests of all.

THE TORONTO GENERAL TRUSTS CORPORATION

HEAD OFFICE: 253 BAY ST., TORONTO

BLOOR ST., TORONTO MONTREAL OTTAWA WINDSOR WINNIPEG REGINA SASKATOON CALGARY EDMONTON VANCOUVER

THE ADVERTISING BUSINESS

Here's Text of Important Court Verdict Convicting Ovaltine on Advertising Count

By WALLACE GILLESPIE

Here's a court judgment which is going to be carefully studied by Canada's food and drug merchandisers. It tells why the makers of "Ovaltine" were fined this week on an advertising charge. To the interested reader it may tell more than that, since the case bears many of the earmarks of a "test case."

The "reasons for judgment" are reproduced in full below. First come some preliminary explanations.

The accused manufacturer is A. Wander Limited of Peterborough, Ont. The case was heard in Toronto by Magistrate F. C. Gullen. The verdict: "Guilty." The sentence: a fine of $100 and costs with right of distress.

What does the verdict mean to food advertisers?

Interest stems from the fact the charge was laid under Section 32A of the Dominion's Food and Drug Act. This section was introduced in an amendment in 1939. It has been in court before, but in company with charges under other sections of the Act. This time the Crown has obtained a conviction under this section alone.

Subject, of course, to the right of appeal, it can be said that the verdict strengthens the hand of the Department of National Health and Welfare over food and drug advertising.

The case, as previously reported (The Financial Post, Jan. 31, 1948) centres in an "Ovaltine" advertisement published in Toronto last May 28. What was the matter with it? The answer can now be given in the words of the magistrate:

"I find as a fact that to the average fair and reasonable man the accused unlawfully did advertise a food, namely Ovaltine, in the Toronto Daily Star, in a manner likely to create erroneous impressions regarding the value, composition, or merit of the said food.

"In coming to this conclusion," he explained, "I have not been unmindful that this finding of fact is an inference or presumption. This being the case, the onus then was shifted from the prosecution to the defence and the inference or presumption of fact might be rebutted by the defendant. If the evidence given in defence raised a reasonable doubt that Ovaltine was not advertised in a manner likely to create erroneous impressions, that reasonable doubt would have been given to the accused.

"The inference or presumption of fact as found has not been rebutted sufficiently to raise a reasonable doubt; the onus cast upon the defendant has not been discharged and the accused will be convicted."

With the foregoing explanation, the "reasons for judgment" are here reproduced.

Text of Judgment

The accused is charged that on or about the 28th day of May, in the year 1947 in the city of Toronto, he unlawfully did advertise food, namely Ovaltine in The Toronto Daily Star published at the city of Toronto on May 28, 1947, in a manner likely to create erroneous impressions regarding the value, composition or merit of the said food contrary to Section 32A of the Food and Drug Act, being Chapter 76 of the Revised Statutes of Canada, 1927, and amendments thereto.

In rendering judgment in this case it is necessary to adhere closely to the wording of the charge, the advertisement as it appeared in the Toronto Daily Star, and the evidence adduced by the Crown and the defence, the greater portion of which was expert testimony. It was not necessary for the Crown to prove that Ovaltine was advertised in a manner "which was misleading" but it must be proved that the fortified food was advertised in a manner likely to create erroneous impressions regarding its value, composition or merit to the average fair and reasonable person.

Dwelling for a moment on the word "likely" which is an adverb modifying "to create"; "likely," means "the probability of." If Parliament had left out the word "likely" in enacting Section 32A, then the Crown would have to prove that "erroneous impressions" had been created by the advertisement. Then, too, we must note that the "impression" in this case and "erroneous impressions," must be mental and not physical; it must be, in effect, produced on the intellect or judgment of the reasonable man. There must be a notion, remembrance or belief impressed upon that mind. Therefore, in accordance with the wording of the said section, the prosecution must prove the "likelihood" or "probability of" the advertisement creating erroneous impressions as to the value, composition or merit of, Ovaltine to the reasonable man. "Likely to create erroneous impressions" is a conclusion of fact which must be found by the court from the evidence adduced and this "likelihood" or "probability" to create erroneous impressions must be proved beyond a reasonable doubt to sustain a conviction.

Question of Vitamins

In the box of the advertisement it says "Read what you get in two glasses of Ovaltine; more Vitamin C than four ounces of tomato juice." I mention this item because it is the first comparison appearing in the pictorial part of the advertisement. According to analysis by Mr. Crandall (in charge of Health Department's vitamins laboratory) 28 grams of Ovaltine (approximately one ounce) and sixteen ounces of milk, give 17.15 milligrams of Vitamin C, and four ounces of tomato juice give 19.2 grams of Vitamin C. (Exhibit 4).

Of course, if more generous helpings were used, there would be a point whether two glasses of Ovaltine and milk would give more Vitamin C than four ounces of tomato juice. However, the point to be considered in this connection is not the quantities used, as the servings would vary according to the size of the teaspoon used and whether it was a level or a heaping or level teaspoon of Ovaltine, but rather the comparison of certain foods as the sources for certain vitamins.

In the pamphlet "Food Charts" prepared by a joint committee of the Council on Food and Nutrition of the American Medical Association and of the Food and Nutrition Board of the National Research Council, U.S.A., there is a chart which shows the various foods as sources for Vitamin C. This chart states four ounces of tomato juice give 24 milligrams of Vitamin C. But tomato juice is the ninth food mentioned on the list for furnishing Vitamin C; there are eight other foods ahead of tomato juice that are better sources of Vitamin C. Tomato juice is a common food and would form part of a normal meal. Is it fair to compare tomato juice with Ovaltine as a source of Vitamin C? These same remarks will apply to many of the other foods mentioned in the box as sources for the vitamins and minerals mentioned therein.

Generally speaking, milk produces about 50% of the vitamins and minerals mentioned in the box; in particular, milk contributes more protein, calories, calcium, phosphorus and riboflavin than the Ovaltine and these vitamins and minerals are mentioned in the comparisons. The nutritient value of the milk is not specifically mentioned in the advertisement.

Impact on the Reader

Now, in view of these facts, when the average reader looks at the advertisement in the Toronto Daily Star and sees the pictures of the foods and the words "Read what you get in two glasses of Ovaltine; more Vitamin C than four ounces of tomato juice," would the average reader come to the conclusion, if he desires Vitamin C, that it would be better for him to take two glasses of Ovaltine than four ounces of tomato juice? And if he reads on through the box and sees all the other comparisons, would he come to the conclusion, if he thinks he needs the vitamins and minerals mentioned, it would be better for him to take two glasses of Ovaltine than the other foods depicted?

Dr. Pett, in his evidence in reply, stated that five of the vitamins and minerals mentioned in the box, Vitamin A, B1, Phosphorus, Calcium and Protein, only have a limited use to a few people. Dr. Zeidler and Dr. Bunkfeldt, witnesses for the defense, raised the percentages given by Mr. Crandall, but only from the fact that more Ovaltine was used.

Are these comparisons, as to the value, composition or merit of Ovaltine likely to create erroneous impressions in the mind of the average fair and reasonable man?

Until one knows the nutritient requirements or deficiencies, one cannot say that a fortified food is better than a natural food. There is a vast difference in the foods required by convalescent people in a sick room than those required by a coal miner at the face of a pit, or a lumberman in the woods, or in other words for Optimal Health or for Clinical Disease.

Ovaltine was introduced through

(Continued on page 19)

IN MONTREAL

Men of affairs naturally stop at the WINDSOR because of its reputation for dignified comfort, unobtrusive, courteous service and its convenient location—and because the WINDSOR is recognized as the proper place for business and social meetings.

THE Windsor ON DOMINION SQUARE

J. ALDERIC RAYMOND, PRESIDENT

APPRAISALS VALUATIONS

Let our Engineers and Experts establish the new, replacement and depreciated values of your plant and equipment.

CHAS. WARNOCK & CO. Ltd.

Montreal MA. 3777 Toronto AD. 8842 Hamilton 2-4173

WESTERN SAVINGS & LOAN ASSOCIATION

HEAD OFFICE, WINNIPEG

FIRST MORTGAGE LOANS

BRANCH OFFICES

Agency Building, Edmonton, Alta.
221 A-8th Ave., W., Calgary, Alta.
McCallum-Hill Building, Regina, Sask.
407 Avenue Building, Saskatoon, Sask.
1 Royal Bank Building, Brandon, Man.

ASSETS OVER $15.000.000.00

SURFACE KLEEN FEATURES!

1. Can be diluted with 10 to 40 parts of water—with exceptional results!
2. Removes dirt, old wax, polish, stains. Restores original colour and beauty.
3. Perfect for Linoleum, Rubber, Asphalt-Tile, Cork, Terrazzo, Composition and Hardwood floors.
4. Leaves base and protection on surfaces.
5. Sold under an absolute money-back guarantee if not completely satisfactory.

DUSTBANE PRODUCTS LIMITED

OTTAWA MONTREAL QUEBEC TORONTO HAMILTON LONDON SAINT JOHN HALIFAX WINNIPEG CALGARY EDMONTON

NEW CURRENCY RESTRICTIONS DO NOT AFFECT VACATIONS IN BERMUDA

BECAUSE Bermuda is in the sterling area, you may take ample Canadian funds and stay as long as you like among these enchanted islands. Your bank will make full financial arrangements promptly. Canadian dollars are accepted everywhere in Bermuda and travellers' cheques are convertible at par into Bermuda pounds.

You can come to Bermuda swiftly, by plane . . . or leisurely, by ship. And there's an ample choice of fine hotel and guest house accommodations. Come soon — and spend languid hours on powdery pink beaches . . . exciting days beneath billowing sails . . . carefree afternoons on emerald fairways. Bermuda's a fairyland of flowers and colour . . . warmth and pleasure.

Make your reservations now — your Travel Agent will give experienced help, complete service and reliable information at no cost to you.

For new illustrated booklet, write: The Bermuda Trade Development Board, 372 Bay St., Toronto, Ontario.

B-38

Text of Court Judgment Ovaltine Advertising Case

Continued from page 18)
the medical profession and in other ways many years ago and placed on the market as a food for invalids and convalescent patients. It is made from barley malt, cocoa, milk and eggs. Later, Ovaltine became a processed food, fortified with vitamins.

With Other Foods

As the advertisement states, the whole subject of vitamins is new. Mr. Crandall, in his evidence, says: "It is a well-established fact, that vitamins do not act alone; they are 'catalytics,' they work in conjunction with other foods."

Catalysis in chemistry is the name given to the effects produced in facilitating a chemical reaction by the presence of a substance which itself undergoes no permanent change, and that substance in this case is vitamins. Vitamins are substances that work in conjunction with other foods, they are necessary to facilitate chemical reaction while they themselves undergo no change, and once having rendered their services they are eliminated.

Vitamins and minerals are contained in natural foods and are taken into the human system with those foods. Vitamins also may be taken alone, in concentrated form, or in fortified foods. Ovaltine is fortified food.

Is one method for taking vitamins better than another, as far as vitamins and their reactions on foods are concerned? Expert nutritionists say, "No."

Now I shall deal with the first part of the advertisement, as it appeared in the Toronto Daily Star, and examine the text of the advertisement. The heading is in large type.

What Was in Advertisement

The text logically divides itself into eleven parts, as follows:

1. The "new way" to take vitamins for better results.
2. Take them in fortified foods, the delicious Ovaltine way.
3. The whole subject of vitamins is new.
4. Millions are learning a new and better way to take their extra vitamins.
5. A more modern and more natural way that can do more good.
6. Discarding earlier methods of taking vitamins alone, they now take them in fortified foods.
7. The latest evidence shows that vitamins do not work alone, they work most effectively in combination with certain other food elements which are absolutely necessary for best results.
8. A specially fortified supplementary food drink.
9. It contains besides vitamins nearly every precious food element needed for good health, especially those elements necessary for vitamin effectiveness.

Example: (1) Vitamin "A" and protein are both necessary in cell-building.

(2) Vitamin "B1" and energy food act together for sparkling vitality.

(3) Vitamin "D," calcium and phosphorus need each other.

10. You get them all in a glass of Ovaltine made with milk.
11. If you are eating "normal meals," two glasses of Ovaltine give you all the extra vitamins you need for robust health.

Effect on Reader

The text of the advertisement subtly promises to the readers of the advertisement the following:

(1) That Ovaltine is the new way to take vitamins for better results.

(2) That the readers of the advertisement are not properly nourished and that they need extra vitamins.

(3) That Ovaltine is the more modern way, more natural way to take extra vitamins that do more good.

(4) That the method of taking vitamins alone has been discarded and that they are now taken in fortified foods.

(5) That the latest evidence shows that they do not work alone and that they work most effectively in combination with certain other food elements which are absolutely necessary for best results.

(6) That the diet of the readers of the advertisement is lacking in some particular, that Ovaltine supplies that deficiency, for the advertisement says that it is a specially fortified supplementary food drink.

(7) That Ovaltine contains nearly every precious food element required for good health besides vitamins.

The statement "Ovaltine contains nearly every precious food element for good health" is modified by adding the words "especially those elements necessary for vitamin effectiveness." Then three examples are given as set forth in the advertisement and in section 9, as I have divided the text.

Doctor Pett, (chief of the Department's nutrition division) in his evidence in Reply, stated that vitamins "A," protein, vitamin "B1," calcium and phosphorus mentioned in the examples have only a limited practical use to a few people.

(8) That all of them are included in a glass of Ovaltine made with milk.

"Normal Meals"

(9) That "normal meals" are deficient in some nutrients for robust health. That normal meals lack the necessary vitamins to give you robust health. That if you are eating normal meals two glasses of Ovaltine give you all the extra vitamins you need for robust health. That if you eat normal meals and take two glasses of Ovaltine you will have robust health.

The word "normal" has a very wide range of meanings, as:

(1) conforming to a type or standards,

(2) according to or squaring with a norm,

(3) not deviating or differing from a type or standard,

(4) regular, usual, natural,

(5) in accordance with an established law or principle,

(6) model.

The definition given by Mr. Crandall was "an over-all average." From these definitions, normal meals would include a very wide range, yet, according to the advertisement there is an implication that something is lacking in "normal meals" and Ovaltine supplies that deficiency for robust health.

From the expert testimony given by the Crown and the Defence in regard to vitamins being ingested and their reactions on food elements, I find the illustration of "Bricks and Mortar" given by Mr. Crandall, that from the standpoint of "the house" it does not matter whether the bricks and mortar (vitamins and foods) are delivered singly or together, is more pertinent and appropriate than the illustration of "an insurance" given by Dr. Harrow, (called by defence) that vitamins may be stored up and drawn upon when required.

The Finding of the Court

From the evidence adduced, from an examination of the exhibits and from a careful perusal of the advertisement as I think the average reader would interpret the subject matter of the advertisement, I find as a fact that to the average fair and reasonable man the accused unlawfully did advertise a food, namely Ovaltine, in the Toronto Daily Star, in a manner likely to create erroneous impressions regarding the value, composition or merit of the said food.

In coming to this conclusion, I have been not unmindful that this finding of fact is an inference or presumption. This being the case, the onus then was shifted from the prosecution to the defence and that the inference or presumption of fact might be rebutted by the defendant. If the evidence given in defense raised a reasonable doubt that Ovaltine was not advertised in a manner likely to create erroneous impressions, that reasonable doubt would have to be given to the accused.

The inference or presumption of fact as found has not been rebutted sufficiently to raise a reasonable doubt; the onus cast upon the defendant has not been discharged and the accused will be convicted. The accused will be fined $100 and costs with right of distress.

A. H. Friedgut, K.C., appeared for the Crown; T. J. Carley, K.C. and A. H. C. Bruce for the accused.

HENRY BORDEN

president of Brazilian Traction, Light & Power Co., has been appointed a director of the Bell Telephone Co. of Canada.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO primary demands for power (actual loads plus cuts) for December showed an increase of 5.5% or about 115,000 kw over December, 1946, according to the monthly load summary.

The total generated and purchased power increased 2.6%, or approximately 50,000 kw for the same period of time.

It should be noted that the figures shown for primary demands exclude any saving in power resulting from the Nov. 10, 1947 regulatory restrictions and from the appeal to conserve electricity. The exclusion of this potential load, approximately 100,000 kw from the primary demands is reflected in the smaller December increase over last year as compared with the months prior to November, 1947, when the increase was in the order of from 12 to 19%.

Maximum 20-Minute Peak Kw.

Primary Demands: (Actual Loads plus Cuts)	Dec. 1947	Dec. 1946	% Incr.
South. Ont.	1,926,128	1,833,993	+5.0
Thunder Bay	114,625	103,700	+10.5
Nor. Ont. Prop.	193,452	181,007	+6.9
Total	2,234,205	2,118,700	+5.5
Total Generated & Purchased:			
South. Ont.	1,725,228	1,649,838	+4.6
Thunder Bay	114,925	113,700	+1.1
Nor. Ont. Prop.	194,127	219,527	−11.6
Total	2,034,280	1,983,065	+2.6

ONTARIO HOLIDAY Scrapbook

RUGGEDLY beautiful scenery studded with tiny inland lakes and streams—a shoreline curving into bays and harbours—that's the Bruce Peninsula. At the very tip lies the quaint fishing village of Tobermory—reached by one of the most thrilling and colorful roads in the Province. For complete details on routes and accommodation, write to Ontario Holiday, Room 1004, Victory Building, Toronto.

LET'S MAKE THEM WANT TO COME BACK

Let's see they get the best we have to offer. Everyone benefits from the income tourist business brings to Ontario. So it's in your interest to encourage friends from other parts to share our Ontario Holidays.

TOURIST BUSINESS IS GOOD BUSINESS

PUBLISHED IN THE PUBLIC INTEREST BY JOHN LABATT LIMITED

A Message to Every Canadian Family about LIFE INSURANCE

DIRECTLY OR INDIRECTLY, Life Insurance benefits Canadians from coast to coast . . . old and young . . . in every walk of life. This report tells how more than 50 Life Insurance companies in Canada made 1947 another year of service, expansion and preparation for the future.

1 Protects more people than ever!
Every year more Canadians realize that through life insurance they can co-operate with others to share their risks. Now there are over 4½ million policyholders, and their insurance in force totals nearly $12 billion — an average of about $3,500 per family.

2 Helps families meet emergencies!
In 1947, over $70 million was paid to beneficiaries for death claims! This money helped widows to maintain their homes, educate their children, and meet current expenses.

3 Thousands of happy endings!
More than half of all life insurance payments go to *living* policyholders! Last year, thousands of Canadians received the welcome funds that brought comfortable retirements, pleasant trips, homes, college educations for boys and girls.

4 These dollars really work!
Last year the life insurance companies invested many millions of dollars in harbours, railways, power plants and other industries, public works and government bonds . . . as well as in farms and homes. These investments create new jobs; help raise living standards for all.

5 Toward a healthier Canada!
Again, in 1947, the life insurance companies gave financial support to important medical research projects. More help for the vital task of lessening the menace of cancer, tuberculosis and polio. More help for building a healthier nation!

6 Meeting higher living costs!
As the cost of living rises, more life insurance protection is needed. So to help provide for today's greatly increased demands on family budgets, many people purchased additional life insurance during the past year.

It is good citizenship to own
LIFE INSURANCE

A message from the Life Insurance Companies in Canada and their agents

L-947C

* SOME THINGS ARE INDISPENSABLE

"I've got to make a Striking Impression!"

In no other medium does your advertising dollar go as far, live as long, reach as many, or buy as much, as it does in Canadian Magazines.

YOU WILL, SIS! You are smart enough to realize that it takes a little extra colour . . . a little glamorizing . . . to do a selling job when a lifetime contract is the goal.

Smart advertisers use the same technique. They employ rich full-colour to glamorize their sales messages in the Magazines of Canada.

Colour in advertising helps to establish authenticity. After all, we live in a colourful world. We wear colourful clothes . . . eat colourful food . . . enjoy colourful home-surroundings. The use of colour gives your advertising the truly natural atmosphere that enables the reader to visualize himself in the picture . . . using and enjoying your product. And isn't that the main objective of most advertising illustrations?

No other medium offers the high-fidelity colour reproduction of Canadian magazines. Good quality coated paper permits the use of fine-screen plates. More widely spaced deadlines give time for careful craftsmanship . . . fine printing.

Your advertising agency can give you full information on the advantages of using colour to captivate national markets . . . through the Magazines of Canada.

* THE MAGAZINES OF CANADA ARE INDISPENSABLE TO CONTINUING SALES SUCCESS

The Magazines OF CANADA
GIVE ECONOMICAL NATION-WIDE COVERAGE

MAGAZINE PUBLISHERS ASSOCIATION OF CANADA
137 WELLINGTON ST. W., TORONTO 1

PARTICIPATING MEMBERS: Canadian Homes & Gardens • Chatelaine
Canadian Home Journal • La Petite Revue • La Revue Moderne
La Revue Populaire • Le Samedi • Maclean's Magazine • Mayfair
National Home Monthly • New World • Nouveau Monde

PROFESSIONAL DIRECTORY

CHARTERED ACCOUNTANTS

McDonald, Currie & Co.
Chartered Accountants
MONTREAL TORONTO QUEBEC OTTAWA SAINT JOHN SHERBROOKE

W. J. McCOY
Chartered Accountant
100 ADELAIDE ST. W., TORONTO
Phone AD. 4795

SHARP, WOODLEY & CO.
CHARTERED ACCOUNTANTS
313 CONFEDERATION LIFE BLDG.
WINNIPEG, MAN.

BELANGER, ST-JACQUES, SIROIS & CO.
Chartered Accountants
C. E. Belanger, C.A. — Yvon Sirois, C.A.
P. St-Jacques, C.A. — Jules Sirois, C.A.
SHERBROOKE, QUE. — DRUMMONDVILLE, QUE.

WINSPEAR, HAMILTON, ANDERSON & CO.
Chartered Accountants
Edmonton — Vancouver
Calgary — Dawson Creek

WILLIAMSON, SHIACH, SALES GIBSON & MIDDLETON
Chartered Accountants
66 King St. W. — Toronto

KNIGHT & TRUDEL
CHARTERED ACCOUNTANTS
132 St. James St. West
MONTREAL

NICOLL, BARROW & CO.
Chartered Accountants
223 HOLLIS ST. HALIFAX — 217 CHARLOTTE ST. SYDNEY

ROBERTSON, ROBINSON, McCANNELL & DICK
Chartered Accountants
TORONTO STERLING TOWER AD. 3761 — CHATHAM TYSHLER BLDG. 137 KING ST. W.

Sharp, Milne & Co.
Chartered Accountants
MONTREAL, TORONTO and NEW YORK

P. S. ROSS & SONS
Chartered Accountants
Montreal - Toronto - Saint John, N.B.
Winnipeg - Calgary - Vancouver
Established 1858

Arthur A. Crawley & Co.
Chartered Accountants
OTTAWA - MONTREAL - BROCKVILLE - TORONTO - SUDBURY
NORTH BAY - SAULT STE. MARIE

Ross, Frewin & Co.
Chartered Accountants
D. L. Ross & Co.
Licensed Trustees TORONTO MONTREAL — Liquidators SAINT JOHN, N.B. — Receivers MONCTON

BARROW, WADE, GUTHRIE & CO.
Chartered Accountants
TORONTO — MONTREAL

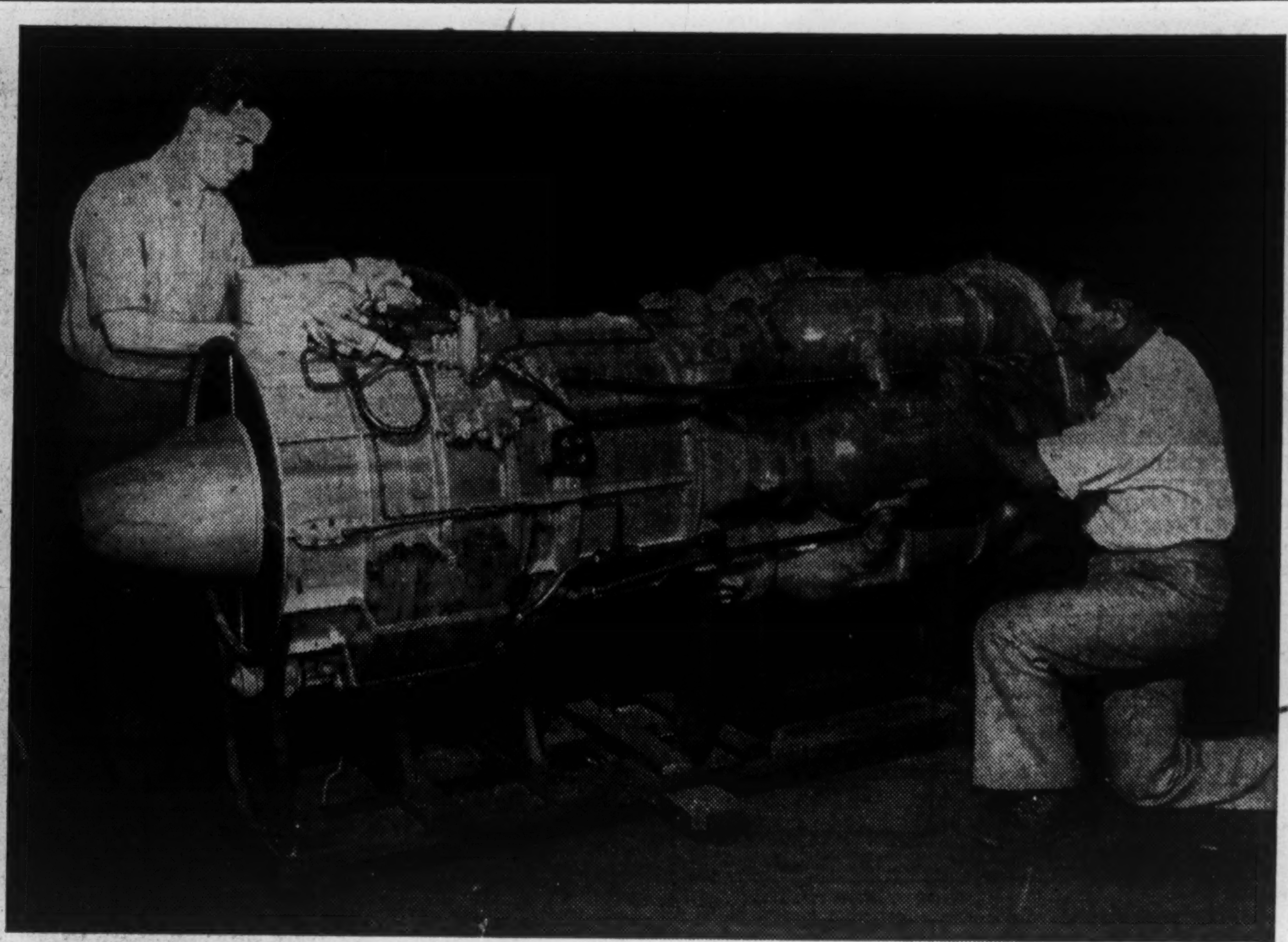
NIGHTINGALE, HAYMAN & CO.
CHARTERED ACCOUNTANTS
OFFICES: HALIFAX, N.S. SYDNEY, N.S. YARMOUTH, N.S.
Trustee in Bankruptcy
F. A. NIGHTINGALE, C.A.

MASECAR, DeROCHE & McMILLAN
Chartered Accountants
SASKATOON — SASK.

RONALD, GRIGGS & CO.
Chartered Accountants
Trust & Loan Bldg. WINNIPEG — Grain Bldg. SASKATOON

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

Nash & Nash
Chartered Accountants
Edmonton, Canada



A mock-up of the 100% Canadian "Chinook" turbo-jet engine, one of Canada's newest aviation developments, on view at the Malton plant of A. V. Roe Canada Ltd.

What's Ahead in Canadian Aviation?

Production Surpassing War Years, Say Industry's Leaders

What's ahead for Canada's aviation industry? The war proved its strength and flexibility when the demand was urgent; will peace provide sufficient opportunity to keep it flourishing?

Leaders in the industry are confident of the future, they told The Financial Post.

Here are their reasons:

. War surplus aircraft and the products of manufacturers who, deciding to retire from the field dumped their stocks upon the market at prices with which established manufacturers could not compete, have been very largely disposed of, leaving the market open for the sale of new machines.

Progress at the A. V. Roe Canada Ltd. plant at Malton in production of the latest type turbo-jet engines and airframes for aircraft of both civilian passenger and freight and military machines, in particular a new long-range fighter for the RCAF.

During the recent months there has been a remarkable increase in freight traffic, and the continued popularity of passenger transport suggests progressive developments by all the main operators.

Flying clubs and schools are increasingly popular and many potential fliers are at present under instruction and flying solo.

Accessories which will make for safer and more stable flying in light planes will shortly be available at reasonable cost.

Still faster, more comfortable and larger machines will further reduce time-distance between countries and cities, while development of postwar trade will create demand for air transport accommodation.

The recently announced Geneva Agreement and the Emergency Trade Restrictions are seen as applying a spur to the industry.

A. J. Veit, manager of the Air Industries and Transport Association, in an editorial of the current issue of "Canadian Aviation" (Maclean-Hunter) expresses the opinion that the industry must now endeavor to produce aircraft embodying a high percentage of Canadian components and concentrate on types having sales possibilities outside of Canada.

In the long run, says Mr. Veit, a period of low-tariff barriers on the American side might well mean new and profitable markets for Canadian aeronautical products.

An official of A. V. Roe, Canada Ltd. said that "while the Geneva Agreement reduced the duty on aircraft, the Canadian Government was extremely anxious to retain its American dollars, and we believe that Reconstruction Minister Howe will indicate to Canadian airlines that the Government is much in favor of purchasing their aircraft from Canadian manufacturers."

"Basically," he said, "this will put us in a much better position for selling, and we may be able to compete with the American companies because of the lower tariff rate. I think the whole set-up is particularly favorable to the Canadian aviation industry."

What has happened in the aviation industry? Before the war, there were fewer than 800 licensed private pilots in Canada. Most of them belonged to the 22 flying clubs then in operation.

During the war, 70,000 young pilots were trained and 80,000 others instructed in aircraft operation and maintenance.

Here are the figures for the industry as a whole:

	1938	1944	1946
No. employees	1,617	79,572	15,223
Salaries, wages	$2,093,717	$161,055,010	$33,427,276
Value of Prod.	$6,927,105	$426,981,558	$72,755,194

What are Canada's aircraft builders doing today?

Here's the picture:

A. V. Roe Canada Ltd., Malton: Developing turbo-jet engines and airframes, aimed at jet transports and a long-range jet fighter for the RCAF.

The new engine, named the "Chinook" will be 100% Canadian and it is hoped to have it running early next year. Towards the end of the year the first Canadian designed and manufactured jet air liner is expected to rocket into the skies above Malton.

After V-J Day, the number of employees at Malton dropped from 9,000 to 500, but since the plant was purchased by the Hawker-Siddeley Aircraft Company Ltd. and became known as A. V. Roe Canada Ltd., the number has increased until today 1,600 are employed there. It is anticipated that this figure will be greatly increased when the new engines and aircraft go into full production.

Huge and expensive new machines working to millionths of an inch accuracy have been installed to cut the compressor blades and other components of the new engines, and an impressive exhibit is a mock-up of the engine.

When complete, these jets will propel a twin-engined airplane with a carrying capacity of between 30 and 40 passengers at a cruising speed of 400 mph at 30,000 ft. altitude.

The Malton plant aspires to be among the first to produce jet transports for the airlines of the world, although it is believed that some British and American firms are working along similar lines.

"We feel that our designing staff is right up with them," a spokesman of the company told The Financial Post, "and we believe that by developing this project right here in Canada, we will benefit by getting the services of the cream of Canadian technicians and designers who would otherwise have to go to Britain or the United States for work.

"The big advantage of turbo-jet propulsion is that the engine has only one main moving part, and although the initial cost may be high, firms using jet-propelled aircraft will find them much more economical because of their greater speed (enabling them to carry out more frequent or longer journeys per day) because they require far less servicing and overhaul and are, therefore, available for service for a longer period, because weight per equivalent horsepower is very low compared with other aviation engines and because its size is very small for the power derived.

"We believe that the jet is the airplane engine of the future, and we are backing our hunch to the limit."

General manager and vice-president of the company is Mr. Walter N. Deisher, who became a fully-fledged pilot in 1912 and had his pilot's license signed by Orville Wright.

The "Chinook" engine will handle 75 tons of air per hour (13 cubic feet of air weigh one pound).

There are six combustion chambers in the "Chinook," each about the size of a wastepaper basket, and each capable of heating about 70 seven-roomed insulated houses in an outside temperature of 10 deg. below zero.

The thrust horsepower delivered by the engine, the diameter of which is only 32 in. is equivalent to that of 22 automobile engines each delivering 100 hp.

Subsidiary work at Malton is the conversion of former war planes to peacetime uses. Lancasters are being modified as photo-reconnaisance machines, air-sea rescue and long-range navigational aircraft. Venturas are emerging as bombing and gunnery trainers and as brightly-painted tow-target planes, while "garage work" is being performed on a number of privately-owned machines.

Canadian Car & Foundry Co. Ltd. is going ahead with production of Noorduyn Norsemen aircraft and twin-engined Burnelli-designed CBY-3 for export as well as the domestic market. The Norseman is popular among carriers operating bush lines.

Important subsidiary work is the manufacture of motor and trolley coaches at the Fort William plant from the production lines of which there rolled the 1,000th coach to be completed in 30 months.

Canadair Limited, formed by the Crown late in 1943 as a development from aircraft division of Canadian Vickers, has devoted its Cartierville plant, and part of the plant factory formerly occupied by Noorduyn Aviation Ltd., to the manufacture of Douglas DC4M machines powered with Merlin 620 engines, as mainline and transatlantic equipment for Trans-Canada Air Lines and for RAF transport duties.

Fairchild Aircraft Ltd., is turning out the Husky bushplane, specially designed for the carrying of bulky freight in difficult conditions.

De Havilland Aircraft of Canada in this field, too, has entered the Beaver bushplane, a machine of exceptional performance, while also manufacturing the all-Canadian-designed Chipmunk all-metal trainer. Fully aerobatic this little plane has proved very popular with students, and it is slated by the company for world-wide sale. De Havilland, too, is producing Fox Moths, light freighters for bush and charter operations, and assembling in the Toronto plant the de Havilland Dove machine for sale in Canada.

Northwest Industries Ltd. at Edmonton, is producing the Bellanca Skyrocket, a 10-place transport or cargo plane for bush operations for sale in Canada and abroad. It has rights also to make and sell on the home and export markets the 14-seat Aircruiser, and Canadian distributor rights for the four-place Cruisair.

The firm is also on repairs, conversion, etc., as are MacDonald Bros. Aircraft Ltd., Central Aircraft Ltd., Weston Aircraft Ltd., and Leavens Bros. Air Services Ltd.

Engaged in the sale and overhaul of aero engines are Canadian Pratt & Whitney Aircraft Co. Ltd., British Aeroplane Engines Ltd., Laurentian Air Services Ltd., and Standard Aero Engine Works Ltd.

Fleet Manufacturing Aircraft Ltd., makers of the Canuck training plane, have virtually withdrawn from the aviation manufacturing field, and are now devoting their attention mainly to the manufacture of furniture and aluminum products, and will turn out buses for the Twin Coach Co. of Ohio.

Cub Aircraft Corp.'s R. L. Gibson, who has just returned from an extensive business tour in the United States, told The Post:

"Wherever I went in the States, I found my colleagues in the industry quite confident that the next few years will see big developments in the personal airplane field.

"They believe that we have already touched bottom and that following the absorption of war surplus machines and those thrown on the market at non-competitive prices, the demand for new machines embodying the latest navigational and safety devices will gradually increase until a steady flow of new planes will be rolling off the production lines."

"In the meanwhile, Cub is branching out into the manufacture of subsidiary products, in particular a new-type apartment-size washing machine."

An official of War Assets told The Post that sales of surplus aircraft, engines and components had realized to date approximately $10,000,000 and had been made to both individuals and business concerns in Canada and elsewhere. At present, the Corporation has available 900 licenseable war surplus planes—750 Anson V's at $2,500 each, 120 Fairchild Cornells at $425 each and 30 Cessna Cranes at $375 each and, in addition, 200 obsolete or unlicenseable planes which are being disposed of for salvage or as scrap.

Bush operations and charter flying are still big business in Canada, and it is anticipated that these fields of aviation will assume even greater importance in the course of the next few years with, of course, beneficial effects upon Canada's aircraft industry as a whole. One charter company Inter-Provincial Air Services operating from Windsor, Chatham and Toronto offers for a retainer fee to have a plane and pilot ready at one or two hours' notice, to fly businessmen to any part of Canada, Newfoundland, the United States or Mexico.

Biggest network of bush lines is operated by Canadian Pacific Air Lines with over 26,000 miles of services. M. & C. Aviation provides air services in the northern Manitoba region, Queen Charlotte Air Lines off the west coast and Maritime Central in the Eastern Maritimes area.

Charter air-work is carried on by most commercial school operators, using types of airplanes ranging from Piper Supercruisers and Fox Moths, Norseman and Waco single-engined planes to twin-engined Cessna Cranes or converted Ansons.

Canadian scheduled services and charter services in July carried 58,707 passengers compared with 53,832 in July of last year. Of this number, Canadian Pacific Air Lines carried 11,178 (18,711), Maritime Central 2,210 (3,297) Trans-Canada Air Lines 43,916 (31,824) and Central Northern 1,403 (not operating in 1946).

Non-scheduled Canadian carriers flew 13,581 revenue passengers compared with 9,176 in July 1946. Included in the Canadian figures are passengers flown on international routes. Foreign operators carried in Canada 21,240 revenue passengers in July as against 25,687 in the same month last year making a grand total of 95,528 as against 88,695 in July, 1946.

Passenger miles totalled 25,050,201 as compared with 21,596,905 the previous July.

Revenue goods carried (duplications excluded) increased from 2,463,809 to 2,708,039 lbs., non-scheduled carriers accounting for 55% of the 1947 total. Mail ton miles increased from 119,006 to 123,997, while the gasoline consumption of Canadian scheduled carriers increased from 938,629 gal. to 964,673 gal. against a decrease in aircraft miles flown of 14.5% due to the increase in the size of the aircraft flown by some of the carriers.

The number of employees on the scheduled carriers' payrolls declined from 5,090 in 1946 to 4,614, but their earnings rose from $955,053 to $986,343 in the period.

PROFESSIONAL DIRECTORY

CHARTERED ACCOUNTANTS

WM. C. BENSON & CO.
Chartered Accountants
OFFICES AT
LONDON 267 Dundas St. — TORONTO 86 Bloor St. W. — WINDSOR 222 Douglas Bldg.

Jordan and Jordan
CHARTERED ACCOUNTANTS
TORONTO
300 BAY STREET — ADELAIDE 6161

WILLIAM DOWIE and COMPANY
W. Dowie, C.A. — P. H. Ambrose, C.A.
Chartered Accountants
28 James Street South - HAMILTON, Ont.

COURTOIS, FREDETTE & CO.
Chartered Accountants
PAUL EMILE COURTOIS, C.A. — ROSAIRE COURTOIS, C.A.
FLORIAN FREDETTE, C.A. — VICTOR PAUL, C.A.
ROLAND B. POULIOT, C.A. — M. LAJEUNESSE, C.A.
Licensed Trustee
Branches
VALLEYFIELD and VICTORIAVILLE
10 ST. JAMES ST. WEST — MONTREAL 1

ARCHIBALD, GURNHAM & COMPANY
Chartered Accountants
138 ROY BUILDING
HALIFAX, N.S.

THORNE MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON, R. S. McPHERSON, Licensed Trustees — Toronto, Galt - Kitchener — *Representatives Throughout Canada*

Clarkson, Gordon & Co.
CHARTERED ACCOUNTANTS
Toronto • Montreal • Hamilton • Winnipeg • Vancouver
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON ST. WEST • TORONTO

RICHARDSON, ELWELL, PARISH & CO.
Chartered Accountants
CANADIAN BANK OF COMMERCE CHAMBERS
HAMILTON, ONTARIO

MILLAR, MACDONALD & CO.
Chartered Accountants
TORONTO — WINNIPEG — OWEN SOUND

EDWARDS, MORGAN & CO.
Chartered Accountants
TORONTO — MONTREAL — TIMMINS
WINNIPEG — CALGARY — VANCOUVER

GEO. A. WELCH & COMPANY
Chartered Accountants
213 Laurier Ave. W. — Ottawa

McDONALD, NICHOLSON & CO.
CHARTERED ACCOUNTANTS
TORONTO — GALT

NORMAN B. McLEOD
CHARTERED ACCOUNTANT
KENT BUILDING — TORONTO
Phone: WAverley 8460

EVA M. LEGER
Chartered Accountant
3 Priel Block
SASKATOON, SASK.

Black, Hanson & Co.
Chartered Accountants
Winnipeg, Fort William and Port Arthur

T. P. GEGGIE
CHARTERED ACCOUNTANT
PHONE ELGIN 4741
330 Bay St.
TORONTO, CANADA

ARTHUR S. FITZGERALD AND COMPANY
Chartered Accountants
WINDSOR, ONTARIO

KEEPING POSTED
by reading The Post every week is the *secret of success for successful readers of The Post. Every week by mail $5 a year.*

Developed with you in mind...
DRI-BREIT
SOLE LEATHER
• If it's Dri-Breit it's watertight
• And it does wear longer... Ask for Dri-Breit on your new and rebuilt shoes.
THE BREITHAUPT LEATHER CO. LIMITED
KITCHENER - ONTARIO

PROFESSIONAL DIRECTORY

LEGAL

V. EVAN GRAY, K.C.
ROBERT E. ANGLIN, K.C.
F. JOSEPH CORNISH
Barristers and Solicitors
372 BAY STREET
TORONTO 1, ONTARIO
Telephones:
ADelaide 6406-7

McLaughlin, Macaulay, May & Soward
Barristers, Solicitors, Notaries
302 Bay Street, Toronto.
Telephone Elgin 4217
Cable Address "Linton, Toronto"
LEOPOLD MACAULAY, K.C.
HUGH J. McLAUGHLIN, K.C.
WILLIAM W. McLAUGHLIN, K.C.
ROWLAND F. MAY, K.C.
REGINALD H. SOWARD, K.C.
LEONARD B. WEBSTER
W. D. S. MORDEN
A. DAVID McFALL
LLOYD A. MAY

MOLYNEUX L. GORDON, K.C.
259 Dunvegan Road
Toronto 12
Taxation

RUTLEDGE, DONALD & CRAGG
BARRISTERS, SOLICITORS, &c.
JAMES EDWARD RUTLEDGE, K.C.
ROBERT T. DONALD, LL.B.
EDWARD F. CRAGG, LL.B.
Cable Address: "RUTLEDGE" HALIFAX
CHRONICLE BUILDING
HALIFAX, Nova Scotia

William T. Carroll
BARRISTER AND SOLICITOR
CONFEDERATION LIFE BLDG.
17 Queen St. East — Toronto.
Telephone Elgin 7340

Thomas M. Mungovan, K.C.
80 RICHMOND ST. W.
TORONTO
Telephone Adelaide 6802

Low and Honeywell
Ottawa

S. J. SMILEY
ADVOCATE, BARRISTER & SOLICITOR
1200 St. Alexander St.
MONTREAL
LA. 8963

LEO E. SCHACTER
BARRISTER & SOLICITOR
145 Yonge St. — Toronto, Canada
Telephone Waverley 2237

NORMAN DUNN
67 YONGE STREET, TORONTO
ELGIN 4548

Pitblado, Hoskin, Grundy, Bennest & Drummond-Hay
Pitblado, Hoskin, McEwen & Alsaker
Barristers, Solicitors, &c.
WINNIPEG, MANITOBA

PORTER, RITCHIE, TENNANT & RILEY
Barristers and Solicitors
HORACE A. PORTER, K.C. — LOUIS McC. RITCHIE, K.C.
NIGEL B. TENNANT, K.C. — DANIEL A. RILEY
WILLIAM F. RYAN — LOUIS A. ROBICHAUD
SAINT JOHN, N.B.

CONSULTING MANAGEMENT ENGINEERS

STEVENSON & KELLOGG, LTD.
Consulting Management Engineers
MONTREAL, Sun Life Bldg. — TORONTO, Canada Permanent Bldg. — VANCOUVER, Royal Bank Bldg.

CONSULTING ENGINEERS

A. BRITTAIN & Associates LIMITED
Consulting Engineers
735 Dovercourt Road
KE. 9227 Toronto

P. G. GAUTHIER
CONSULTING ENGINEER & QUEBEC LAND SURVEYOR
Investigations, Reports, Designs, Town Planning, Municipal Improvements, Special Surveys, Studies for and Supervision of Engineering Construction.
5802 PARK AVE., MONTREAL
Tel. Do 0798

KRUMM, YOUNG & COMPANY LIMITED
Consulting Engineers
Industrial Plants, Dams and Bridges, Structural, Mechanical and Electrical, Reports, Design and Supervision.
67 YONGE ST. — TORONTO — Phone WA 4110

STEELOY MINING CORP. default of Jan. 3 installment on 50,000 shares at 12½ cents a share has not been remedied within prescribed time and balance of agreement has been terminated for default.

DOME MINES reports bullion output of $450,938 from 51,900 tons of ore milled, an average recovery of $8.69 in January ($450,991) from 48,200 tons treated and $9.37 recovery in January, 1947).

PROFESSIONAL DIRECTORY

CERTIFIED PUBLIC ACCOUNTANTS

Ernest Tailby
Certified Public Accountant
47 KING ST. WEST — KITCHENER, ONTARIO

WRIGHT, ERICKSON, LEE & COMPANY
Certified Public Accountants
66 KING ST. EAST — HAMILTON, ONT.

H. J. CORNISH & CO.
Certified Public Accountants
H. J. Cornish, C.P.A. — *H. S. Whiteside, C.P.A.*
WYATT BUILDING — LONDON

L. MOORHOUSE
Certified Public Accountant
19 KING STREET, St. Catharines, Ont. — 22 CROSS STREET, Welland, Ont.

FRANCIS H. JONES
Certified Public Accountant
463 SPADINA AVE. — Phone MI. 1711 — TORONTO

ACCREDITED PUBLIC ACCOUNTANTS

J. D. ALLARD & CO.
Accountants, Auditors, Income Tax Consultants
MONTREAL QUE. — HAWKESBURY ONT. — MONT LAURIER QUE.

Retailers vs. Communism

Here's Warning Given of Dangers Ahead

Canadian retailers have been warned that they are in the front line of the attack of Communists on the free enterprise system. They were also told how to fight that attack, in an address by Gordon K. Creighton, assistant general manager of the U. S. National Retail Dry Goods Association in Montreal this week. Here is a digest of Mr. Creighton's address:

BY GORDON K. CREIGHTON

As an integral part of our system of free enterprise, retailing, along with other parts of that system is the "target for today" of alien ideologies which aim at its destruction from vantage points within and without our borders.

There comes a time when a once unchallenged order needs to be preached as a gospel again. For our long-established system of free enterprise, the time is here. To businessmen who have witnessed and participated in the 20th century evolution of the social-economic order which is the very medium of our existence, the need for its defense seems fantastic and incredible but, at one and the same time, perfectly apparent.

If we could magically transport 1,000 of those in our midst who enjoy the benefits of our civilization, but do not believe in it, beyond the Iron Curtain and leave them there until they cry "Uncle" and, if at the same time we could effect an exchange and expose 1,000 Russians to the easy availability of what we call comfort here in Montreal, but which to them would be undreamed-of luxury, we would have added 2,000 adherents to the ranks of capitalists by conviction. Just an easy shuffle of Montrealers and Manhattanites on the one side, and Muscovites on the other would do it. One class simply doesn't know what they've got, the other doesn't realize what they're missing. It's as simple as that.

We who know the real significance of free enterprise and its importance to a world at the crossroads have the sacred duty of preaching our belief in season and out of season. We know that there is no cure whatsoever for the inflationary conditions of which everybody is complaining except the rule of hygiene upon which economic health depends. That rule is work, produce, sell.

Supply-Demand Problem

The restoration of the economic status quo has stubbornly resisted the efforts of merchants to bring it about during the last two post-war years. Declarations that a buyers' market ought to exist do not constitute a buyers' market. The fundamental conditions of supply and demand are still to be translated as a "sellers' market" in altogether too many key categories of merchandise. But forward-looking retail leaders have not been idly awaiting the reappearance of favorable factors gone with the war and still among the missing two years after its end. Some of them have been actively seeking improvement along the lines that wherever demand continues to keep a stride or so ahead of production, thus creating the marginal leverage which means less goods than people want and higher prices than they want to pay, the merchant must pursue a policy of cultivating more intensively the narrower field of opportunity which those circumstances are currently affording him.

Progressive thought among storekeepers has been pushing back the frontiers which constitute the boundary-line between guesswork and a more scientific approach to the problem of having to anticipate by considerable intervals of time the requirements of the customers who, many months from the date of the retail buyer's purchases will face his salespeople on the selling floors of our stores and confront them at the counters.

The keynote of this development was sounded at the recent annual convention of the National Retail Dry Goods Association by the chairman of its influential Vendor Relations Committee, Irwin D. Wolf of Pittsburg, who made a plea for "engineered buying." Engineered buying consists in first determining all the elements of stability which are ascertainable in a long-range buying operation and then concentrating upon those elements in the writing of orders to the exclusion of all others. In a phrase, the policy is to emphasize the staple in the fashion realm of apparel as well as in the field of convenience goods where utilitarian considerations have always made possible a large degree of predetermination.

It is to be hoped that mills and manufacturers will make an earnest effort to reciprocate and cooperate with merchants for the return of the reorder system in the areas in which its vital importance has been so clearly demonstrated for so long a time. If retailers on their side will work for the fullest implementation possible of Mr. Wolf's recommendations for engineered buying and if, simultaneously, mills and manufacturers will bend their efforts toward the early re-advent of the reorder possibilities which remain a "must" in certain sectors of the merchandising front, the outlook will become more hopeful than it has been since before the war.

Co-operation is the key to any situation where both sides need something. Under present-day conditions, mills and manufacturers need more advance commitments from retailers. Engineered buying will enable retailers to give such commitments with reasonable safety in certain fields. But merchants need reorders in other fields. Maybe the application of engineering principles would work here too. Mills and manufacturers should make as serious an attempt to bring this about as the retailers are doing to engineer whatever pre-season purchasing they safely can.

By such means, fabric and apparel manufacturers and retailers working together, can replace the missing parts and tighten up the machinery of their part of our economy. In doing so they will be fighting the good fight in the war between rival ideologies in which no man, woman, or child even, is on the sidelines and in which the businessman is in the very forefront of the battle, since free enterprise is merely the economic side of freedom itself and the businessman is the minuteman of free enterprise.

L. S. Ferdon, Vice-President, and a Director of Liquid Carbonic Canadian Corporation Limited, who has been appointed Assistant General Manager of the Company. *

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INVESTMENTS

Monarch Mortgage

Will you please bring me up to date on the status of the preferred stock of Monarch Mortgage and Investments Ltd.

With reference to your letter of Jan. 12, Monarch Mortgage and Investments Ltd. preferred stock is currently quoted around $4.25 to $5 a share by unlisted stock dealers. The common may or may not have to be delivered, according to the deal made with the particular broker.

Dividends on this preferred stock have not been paid since Sept. 30, 1932. Consequently, there were 15 years arrears of dividends on this stock as at Sept. 30, 1947, which is equivalent to $12 a share.

There were 38,613 shares of the 8% preferred, par $10, outstanding at Dec. 31, 1946, and 10,000 no par value common shares outstanding. The company has, apparently, been buying in and cancelling certain preferred shares having retired 2,643 preferred shares in 1945 and 1,064 preferred shares in 1946. This policy, of course, makes the remaining preferred more valuable.

Earnings of the company have been improving. Net profit after taxes amounted to $19,294 in 1945 and to $27,691 in 1946. At the end of 1946, the company had wiped out its accumulated deficit and showed a surplus of $850.

In view of the improvement there appears the possibility that a reorganization may be proposed for this company which would enable it to eliminate preferred dividend arrears and so get in a position to pay a dividend. So far as we know, there is no plan proposed as yet.

We understand that there is not much chance of a dividend being paid immediately as the company desires to build up its working capital.

The company's business is real estate investments. Properties consist largely of apartment houses. The demand for tenancies has resulted in a maximum rate of occupancy for all the buildings. The company's subsidiary, Eastern Agency Ltd., is pursuing an aggressive housebuilding program in the suburbs of Toronto. This is also believed profitable.

Pickle Crow

With Pickle Crow selling down to present levels, I am concerned as to developments at the company's property. Have things been going from bad to worse lately?

Recent decline in price of shares of Pickle Crow Gold Mines appears to reflect the general decline in gold stocks rather than any particular development on the company's property.

The picture at the mine appears to be improving quite rapidly, with the mill up to 320 tons a day against capacity of 400 tons. Last fall the milling rate was 225 tons daily; the year before that, it was down to 150 tons. Grade of ore treated is improving as well, it is stated.

Earnings in 1947 are believed to have been below the 10.28 cents a share earned in 1946, but ore reserves may be higher and results in 1948 should show an improvement. The company has now all the men it requires and better progress is being made on its development program.

Woodhall Mines

Can you give me detailed information on the plans of Woodhall Mines?

Woodhall Mines was incorporated in 1943 to take over a barite property comprising 14 claims in Langmuir twp., about 18 miles from South Porcupine Station, Ont. We understand development has been rather intermittent, but at present, company has been financing for extensive program of development.

Officials indicate that the company plans to get into steady production, having already sent a test shipment of 50 tons to an American firm and negotiated with others in the export field for possible future sales of crude barite.

A small crew is on the property, erecting a new headframe, preparatory to dewatering underground workings and renewing lateral development. The crude barite developed from underground workings in the past was reported very low in iron content, and readily adaptable to processing into fine-grade barite.

Secretary F. Riddle says some $200,000 cash has been raised in program designed to finance erection of a processing plant (roasting and precipitation). Preliminary expenditures for initial unit are expected to run some $250,000 with final plant to cost around $1 million.

Woodhall Mines still has a lot of ground to cover before final production stage can be reached. Land has yet to be obtained (in or around Toronto), plant to be purchased and erected and underground workings reopened. However, officials hope to establish a steady market for crude barite as a measure of defraying major construction costs.

Blue Ribbon Corp.

What effect is the change in control of Blue Ribbon Corp. brought about by purchase of block of shares by Western Grocers likely to have on the stock?

The purchase of a block of stock of Blue Ribbon Corp. by Western Grocers should react to the benefit of Blue Ribbon Corp., it is generally thought. Western Grocers Ltd. has a large retail organization throughout Western Canada and is itself controlled by George Weston Ltd. Its own connections and the connections of its parent firm should help in the marketing of Blue Ribbon products, it is felt.

With regard to a dividend on Blue Ribbon common, we understand that the matter has been under consideration by the directors, but we do not know what action may be taken by them.

Earnings of Blue Ribbon Corp. for the year ended June 30, 1947, were equivalent to 82 cents a common share which compares with 97 cents a common share including refundable portion of excess profits tax for the previous fiscal year. Working capital amounted to $1,421,613 at June 30, 1947, up substantially from the $917,160 figure for June 30, 1940.

ARCHITECTS

ALLWARD & GOUINLOCK
ARCHITECTS
HUGH L. ALLWARD
F.R.A.I.C., F.R.I.B.A., R.C.A.
G. ROPER GOUINLOCK
B.A.Sc., F.R.A.I.C.
TORONTO

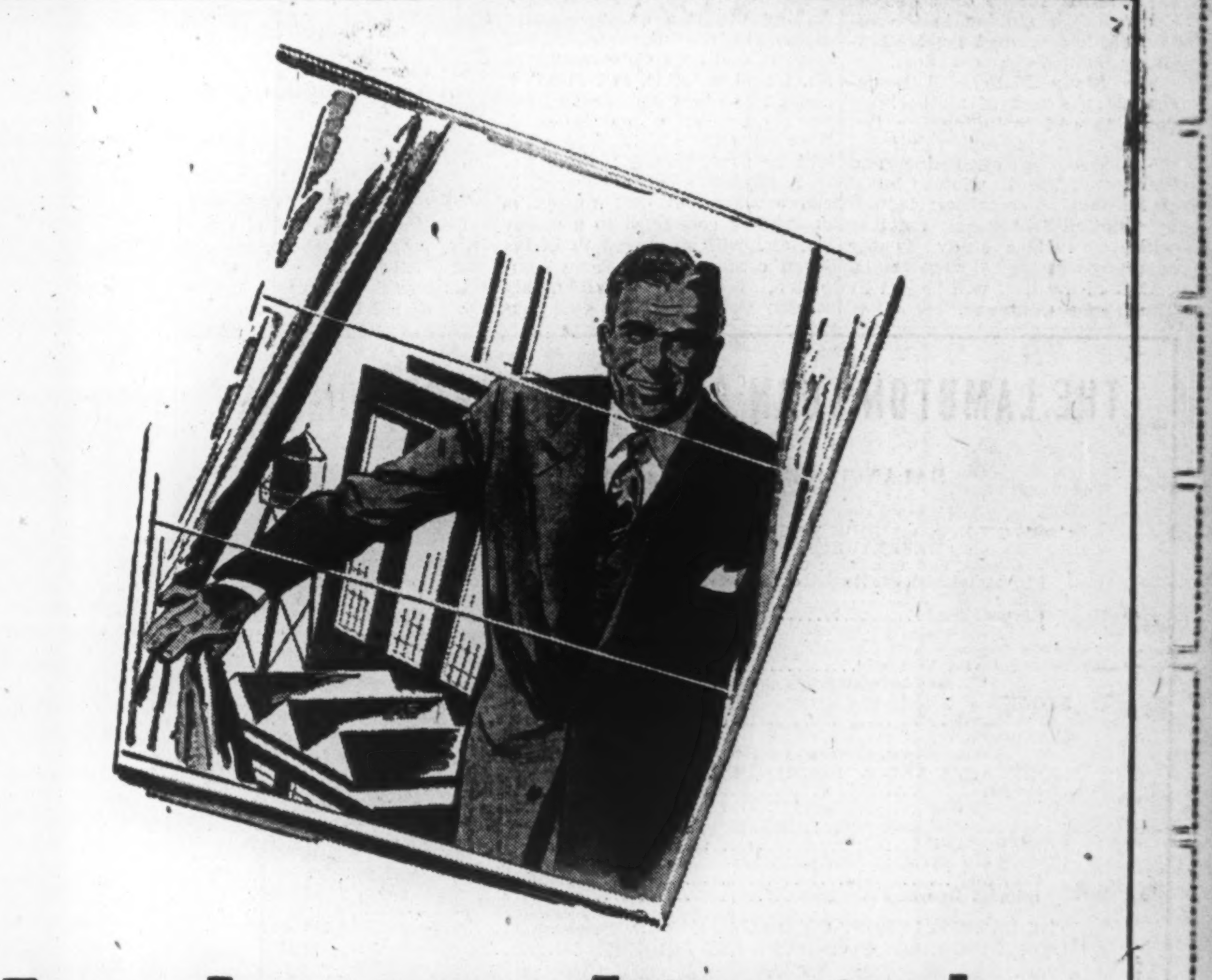
TUBULAR COIN WRAPPERS
ARE A "MUST"
. . . for efficient handling of quantities of silver and coppers.
Exclusive Canadian manufacturers of Tubular Coin Wrappers. Order from:
NATIONAL
PAPER GOODS LIMITED
Hamilton Toronto Winnipeg Montreal and Vancouver

ACCOUNTANTS INDEMNITY
INSURANCE
FULLEST POSSIBLE COVER
and
FREEDOM FROM RESTRICTIONS
Apply For Specimen Policy to
MUIR BEDDALL (Can.) Limited
465 St. John St., Montreal

Yes sir, in big-time basketball circles! And when coaches know the value of playing a ball that is made—not just by "anyone" but by Reach!
In practice or big games, your team can count on the Reach Last-Bilt to shoot straight . . . bounce true every time. That's because this great basket ball is built over a last that's a perfect sphere—it starts round—stays round.
Play safe . . . play the Reach Last-Bilt.

REACH
Wright & Ditson
Better Buy the Best

A. J. REACH, WRIGHT & DITSON COMPANY
BRANTFORD — CANADA



Let the sun shine in!

Modern business can't live unto itself. It depends for its acceptance and progress on the goodwill of the community in which it lives; on the cooperation of the workers, who are an integral part of it; on the enlightened understanding of its shareholders; on the support of those who buy its products or services.

Foresighted Canadian businessmen know that the best policy is to let in the sunshine. These men believe that employees should be given a clear picture of the aims and objectives of the company, how they will share in them, how profits are made and where the profits go.

They believe it is good business to keep their shareholders well informed at all times.

The public should not only know their product or service, but also the company and the men behind it. No company can operate successfully without the confidence of the community which it serves.

Among the most effective means used in achieving these objectives are thoughtfully prepared annual reports written in simple language all of us can understand, and—where the nature of the business permits—quarterly or interim reports. Companies with subsidiaries might well consider publishing consolidated returns. The advertising program provides another excellent means of telling its story.

In this way modern business can do much to cement its good relations with its employees and shareholders, and earn the confidence of the community.

THE INVESTMENT DEALERS ASSOCIATION OF CANADA
An Association established in 1916, to safeguard the interests of both the investor and the borrower.

OIL PRODUCTION

Gulf Oil Forms New Cos. For Alta. Wildcat Wells

From Our Own Correspondent

CALGARY—Gulf Oil Corp. of Pittsburgh, further expanding its oil exploration in Alberta, has started two new American subsidiaries to work in this province, with each announcing initial wildcat well this week. The new companies are: Marine Oil Co. and Western Canadian Oil Co. Both are Delaware corporations, recently registered to do business in Alberta. Previously Gulf created the Canadian Gulf Oil Co. to conduct operations in Alberta. Operation of the new units will be carried out by Canadian Gulf's personnel, headed by John Bevel, general agent.

Marine Oil Co.'s first drilling operation is a wildcat near Barrhead, in virgin territory about 50 miles northwest of the city of Edmonton and the Leduc oilfield. The well, named Alice M. O'Brien No. 1. (after the owner of the surface rights at the location), is in L.S.D. 4 12-59-3w5. Contractor Parker Drilling Co. has moved in the rotary rig last used at Canadian Gulf's Stony Plain wildcat and spudded in on Jan. 30. The Barrhead well will test horizons down to and including Devonian. It is located on a Crown reservation acquired last year on behalf of Gulf Oil Corp. Seismograph survey preceded the staking of the well-site.

Western Canadian Oil first drilling operation is a wildcat in the Delbourne area, in virgin territory about 26 miles east and south of Red Deer and 85 miles northeast of Calgary The well, also named after the surface rights' owner, is Louis Warren No. 1. Its location is L.S.D. 2 11-37-23w4. Contractor Regent Drilling Co. is now Gulf's test south of Stettler. The Delbourne well is also located on a Crown reservation acquired last year by an individual on behalf of Gulf Oil corp., and staking of the test was preceded by Seismograph survey. It will also test horizons down to and including the Devonian.

• • •

McColl Drills Near Leduc

McColl-Frontenac Oil has staked location and started work on an important new wildcat, to be drilled on a Seismograph high 12 miles northwest of Leduc oilfield. The site is about 11 miles west and three miles north of the recent Imperial Woodbend oil discovery. The venture will be known as McColl-Frontenac No. 4-36-51-1. The prospect will carry the name Stony Plain, after the town located six miles to the north of the well site. Location of the well is L.S.D. 4 36-51-1w5. Contractor is moving in the rotary rig last used at the McColl-Union Spotted Creek wildcat.

The Stony Plain well is designed as a test of all horizons down to and including the Devonian sections which yielded the discoveries at Leduc and Woodbend. The location is based on Seismograph work carried out by McColl-Frontenac, together with sub-surface study by the company's geological department.

Cost of the well will be put by The Texas Company, big U. S. concern with which McColl is affiliated, under the recently announced agreement whereby Texaco will provide up to $3.5 millions for exploration and development of over 1¼ million acres of McColl reservation and lease holdings in Alberta. In event of discovery, McColl and Texaco would share equally in profits, while McColl would have to purchase 100% of production.

• • •

Bantry Well Looks Good

The California-Standard Co. and Imperial Oil discovery well at Bantry has commenced a 30-day flow run through a 10/64-in choke, following two weeks of experimental runs through varying sized chokes, and a shut in for bottom hole pressure measurements. Performance to date indicates the well, Cal-Imperial-Bantry No. 11-2-18-13, is the best yet completed on the Alberta Plains outside of the Leduc-Woodbend area.

Started through the 10/64-in. choke, the well made 97 bbl. of oil the first 24 hours, and increased to 113 bbl. the second 24 hours. During this latter period, casing pressure stood at 620 lbs. and tubing pressure at 240 lbs. The separator was by-passed. Gas flow volume is estimated at 36,000 cu. ft. daily giving the Bantry well a low gas-oil ratio of about 320 cu. ft. per bbl.

Bottom hole pressure is in excess of 1,425 lbs., but further measurements will be taken to determine the true static pressure. Production is clean 24.7 degrees API gravity oil. (Foreign matter shows a cut of only 4/10th of 1%, and this is believed to be drilling mud.) During the two weeks' experimental runs, the well was produced at rates up to 160 bbl. daily, through chokes up to 14/64-in. diameter. No open flow run has been made.

The Bantry well is located in L.S.D. 1 2-18-13w4, between the towns of Brooks and Tilley and about 100 miles east and south of Calgary. It is producing from a Basal Cretaceous sand.

Drilling of the Bantry discovery followed up Seismograph work carried out by the California-Standard Company. The Stand-and-Imperial team will drill its next well a mile north of the discovery. Contract for this well, Cal-Imperial-Bantry No. 11-11-18-13, has been let to Can-Tex Drilling Co. Equipment will be moved in shortly.

• • •

Calmont-Leduc to Drill

Calmont-Leduc is initiating a drilling program on its quarter section in the northeast Leduc area. It will drill Calmont-Leduc No. 1 well in L.S.D. 13 1-61-25w4, about two miles northeast of the current producing boundaries. A Calmont Oils owned rotary rig will be used. Young Drilling Co. will supervise operations. The rig, a steam-powered rotary, is now being converted to a power rig, and will be moved to Leduc when conversion has been completed, probably within six weeks. Calmont-Leduc Oils was organized and financed in 1947. It has over $260,000 in its treasury, and holds oil and gas rights on several thousand acres of freehold lands in the Wetaskiwin-Leduc-Edmonton region. Calmont Oils owns about 1¼ million shares of the 2,850,000 shares of Calmont-Leduc Oils outstanding.

• • •

Gas Pipeline Proposals

The Alberta Government hasn't yet obtained sufficient technical data on the province's proven and potential natural gas reserves to permit decision on whether or not the ban on gas export should be lifted. Nevertheless, the groups contemplating pipeline projects to take Alberta gas east and west are proceeding with the vast amount of preliminary work connected with such projects. A strong Winnipeg group proposes a line to serve southern Saskatchewan and Manitoba. A New York group, sponsoring Northwest Natural Gas Co., plans a line to serve the Pacific Coast. Last week brought more news on planning of the coast project.

The American group plans a $78 millions pipeline system to link southwest Alberta gas fields with Seattle, Spokane, Tacoma, Portland, Walla Walla, Vancouver, B.C., and other Washington, Oregon and British Columbia communities. The group has now made formal application to the U. S. Federal Power Commission for necessary approval of the project. Approval is also required from Canadian authorities and—most important—the Province of Alberta's authority to export gas must be obtained.

Plans hinging on these approvals, call for commencement of construction in 1950. The line would extend from Alberta fields to Kingsgate, on the B. C.-Idaho border. A 24-in line would extend 806 miles from Kingsgate to Seattle, with 150 miles of 18-in. line connecting Seattle with Vancouver, B.C. Lateral lines would connect with other communities. Four compressor stations would boost the pipeline's capacity of 209 million cu. ft. daily, under pressure of 750 lbs. per square inch.

• • •

Continental Expands Plans

Continental Oil Co. of Canada, independent which became a Leduc producer last weekend when Continental No. 1 came in with a flush of 115 bbls. hourly, expects this month to start four drilling rigs to work. The expanding program follows completion of agreements whereby Continental and associates will drill extension tests on three quarter sections located from 1½ to 2¼ miles beyond the current producing limits of the lush Leduc pool. The fourth rig will drill an offset to the No. 1 Continental producer. Drilling of the three extension quarters is being participated in to a substantial amount by the British American Oil Co., but details of the participation are not announced. All production obtained will go the B-A's Prairie refineries.

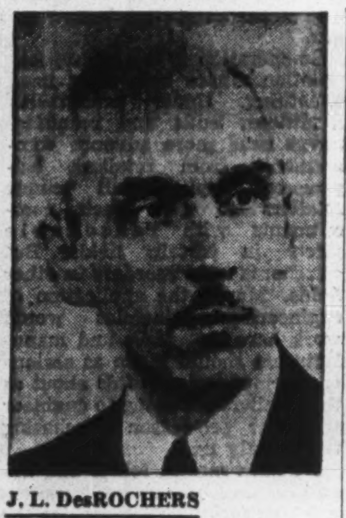
Latest agreement involves 160 acres held by Globe Oil and Leduc-West Oils, covering southwest quarter of section 5 1½ miles southwest of Leduc's current producing limits, marked by Continental No. 1 well. Continental will recover cost of development from initial production, if oil is found, and will receive 50% of any production profits, with 25% each going to Globe and Leduc-West. First well on this property will be Continental Globe-Leduc West No. 11, in L.S.D. 6. Drilling contract has been let to Northern Development Co., which is now moving in rig.

Continental-Leduc No. 2, quarter of a mile east of the No. 1 producer, has commenced rigging up. Like the No. 1, interest in No. 2 is shared: 50% by Continental, 30% by British American Oil Co., and 5% each by Globe, Leduc-West, East Leduc and Vanleduc.

Continental-Leduc No. 3, L.S.D. 12 7-51-25w4, will be a key test about two miles north and east of Leduc's producing area, and three miles east of the Imperial-Woodbend Discovery. This well is on a quarter section acquired by Continental from Robert Wilkinson under an agreement whereby drillcost would be recovered from first production, with profits being split 50-50 between Continental and the Wilkinson group.

Continental-Leduc No. 7, L.S.D. 14 7-50-26w4, 1½ miles due south of Leduc's west outpost producer, and 2¼ miles west of the field's south producing limits, will also be a key extension test. Northern Development Co. has been awarded contracts for the Nos. 3 and 7 wells, and is slated to start drilling at both this month. No. 7 is on a quarter section acquired by Continental from Conjuring Creek Syndicate. Continental develops the lease. Any production from initial well would be split 50-50 between Continental and the Syndicate. On further wells, Continental would first recover cost, then split new profits 50-50.

Fourteen drillsites are projected for the three extension quarter sections and the 80-acre tract on which Nos. 1 and 2 wells are located. A continuous drilling program is planned by Continental (in its association with B-A), provided any or all of the quarters prove productive, and equipment, casing, etc., can be secured.



J. L. DesROCHERS

has been elected a director, and appointed general manager, of Liquid Steel Paint Products Co., Montreal.

To Spend 1 Million On NWT Transport Expansion Plan

From Our Own Correspondent

EDMONTON—Approximately $1,100,000 will be spent on new floating and portage road equipment by Northern Transportation Co. (1947) Ltd., W. J. Bennett, president announces.

The program has been undertaken to meet shipping demands in the North West Territories due to increased activity of mining companies and government departments.

In addition to 40,000 tons of freight that must be moved north next summer (a record haul), seasonal oil shipments of about 10,000 tons must be moved from Norman Wells to Yellowknife mining companies.

A further burden may be thrown on the waterways transport system if a considerable amount of equipment for the Spare River hydro project now at Lower Hay River and Fort Rae cannot be moved before spring over winter tractor trails.

F. W. Broderick, managing director of the company, cited the following items in the expansion program: 13 steel barges now under construction at Western Bridge and Steel Fabricators Ltd., Vancouver; one 1,000 h.p. diesel tug being built at Yarrows Ltd., Esquimalt, B.C.; a number of 30-ton trailers with Diesel power units for operation on the Fort Fitzgerald-Fort Smith portage.

THE WESTERN ASSURANCE COMPANY

Incorporated in Canada 1851

FIRE, MARINE, AUTOMOBILE, CASUALTY AND AVIATION INSURANCE

The Man Who Came to Dinner

"The man who came to dinner" stayed with a broken leg, and consulted his lawyer.

Other visitors, tradesmen, workmen, domestic help, may have accidents and cause financial loss to the owner. Juries have awarded damages running into thousands of dollars.

Comprehensive personal liability insurance covers bodily injury, property damage and employer's liability at low cost.

FINANCIAL POSITION
DECEMBER 31, 1946

Assets
$17,994,389

Liabilities to the Public
$12,158,563

Capital
$1,400,000

Surplus above Capital
$4,435,825

Losses paid since organization
$148,244,095

Head Office — TORONTO

Branches and Agencies throughout the World

Edmonton Airport Shows $28,000 Profit

From Our Own Correspondent

EDMONTON — The city airport here is expected to show a revenue for 1947 of approximately $120,000, against an estimated operational cost of about $92,000, according to James Bell, airport manager The Dominion subsidy amounts to about $25,000 per year.

Bell estimated aviation company operations in the city bring about $12 millions a year in business to Edmonton. Air freighting between Edmonton and the Yellowknife mining areas alone represents about $2 millions annually in business to Edmonton firms.

Considerable mileage is piled up by planes of Northwest Air Command of the RCAF flying the staging route north. Northwest Airlines planes from the U. S. stop at Edmonton on their flights to the Far East.

$600,000 Bond Issue To Build Sask. Bridge

From Our Own Correspondent

REGINA—To finance construction of a bridge over the South Saskatchewan River at Saskatchewan Landing, 40 miles north of Swift Current, the Provincial Government will issue a new debenture to raise $600,000, Provincial Treasurer C. M. Fines announces.

The bonds will be sold in districts north and south of the river. They will be negotiable, in denominations of $50, $100, $500 and $1,000, with interest at 3¼%. Salesmen will be allowed 1% commission. The campaign will end June 1.

A bill will be introduced at the present session of the legislature to authorize the debenture issue. Formal application has already been made to the Department of Public Works, Ottawa.

COMPANY REPORTS

ROYAL TRUST CO. 1947 net profit of $452,375 was up $13,814 from 1946. Gross earnings amounted to a record $3,737,000, an increase of $285,000. Expenses, before taxes, amounted to $3,009,000, up $291,000.

Total assets under administration amount to $945 millions—an increase of $44 millions. The principal business of the company, that of administering estates and trusts, again showed marked expansion, General Manager Ross Clarkson stated. The rate at which new wills are being filed with the company has been accelerated by the wider services which are being provided in this field. The number of new accounts opened during the year with the management service is an indication that this service is becoming increasingly important and holds promise of steady expansion, it is stated.

	1947	1946
Liabs. to publ., etc.*	$18,225,159	$13,999,489
Sh'holders' equity..	8,210,383	8,163,008
*Secured by:		
Mortgages	1,458,386	978,076
Realty for sale ...	1	1
Office premises ..	844,002	845,853
Other assets‡	24,133,153	20,300,567
Total	26,435,542	22,142,497
‡Includes stocks and bonds, and $190,003 stocks of subsidiary co.		
Estates account	918,543,736	878,821,191
Sec. against cont. liab.	35,333	35,683
Earned per share ..	$4.52	$4.40
Paid	3.20+0.60	3.20+0.60

THE LAMBTON LOAN AND INVESTMENT COMPANY

SARNIA, ONTARIO

BALANCE SHEET — As at 31st December, 1947.

ASSETS		
CASH ON HAND AND IN BANKS		$ 235,386.22
BONDS AND DEBENTURES:		
Dominion and Dominion Guaranteed	$ 882,405.10	
Provincial and Provincial Guaranteed	173,649.75	
Municipal	535,472.15	
Corporation	319,324.40	
	$1,910,851.40	
Interest Accrued	15,117.00	
(At cost not exceeding market value)		1,925,968.40
STOCKS:		
Preferred	$ 265,078.62	
Common	155,594.52	
(At cost not exceeding market value)		420,673.14
MORTGAGES AND AGREEMENTS FOR SALE:		
Principal	$2,622,420.89	
Interest due	6,359.40	2,628,780.29
REAL ESTATE		14,952.27
LOANS ON STOCKS AND BONDS:		
Principal	$ 46,305.73	
Interest Due and Accrued	660.04	46,965.77
THE LAMBTON TRUST COMPANY LIMITED—Stock		330,000.00
OFFICE PREMISES, FURNITURE AND EQUIPMENT		18,047.41
		$5,620,773.50
LIABILITIES		
SAVINGS DEPOSITS WITH INTEREST ACCRUED TO DATE		$1,943,199.17
DEBENTURES AND ACCUMULATIVE BONDS:		
Principal	$1,916,257.05	
Interest Due and Accrued	25,362.66	1,941,619.71
PROVISION FOR DOMINION AND PROVINCIAL TAXES	$ 29,790.99	
Less: Payments made thereagainst	17,775.00	12,015.99
DIVIDEND PAYABLE:		39,487.50
ALL OTHER LIABILITIES:		1,000.00
		$3,937,322.37
CAPITAL:		
Authorized—20,000 shares of $50.00 each $1,000,000.00.		
Issued and Fully Paid—15,795 shares of $50.00 each	$ 789,750.00	
RESERVE:	789,750.00	
PROFIT AND LOSS ACCOUNT	103,951.13	
		1,683,451.13
		$5,620,773.50

PROFIT AND LOSS ACCOUNT

Balance brought forward from 1946		$ 88,898.66
Profit for the Year ended 31st December, 1947, after deducting Costs of Management and all other Operating Expenses	$ 107,782.47	
Less: Provision for Income and Excess Profits Taxes on Profit for the year	29,550.00	
Net Profit for Year		$ 78,232.47
		$ 167,131.13
Dividends Paid or Provided totalling 8% per annum as follows:		
No. 207 at the rate of 3% and	$ 23,692.50	
No. 208 at the rate of 3% plus 2% bonus	39,487.50	$ 63,180.00
Balance carried forward 31st December, 1947		$ 103,951.13

CHESTER H. BELTON, President. G. C. NORSWORTHY, Manager.

Growing Trust Company Business Built on Service and Public Confidence

Assets Increase $44,000,000 to $945,000,000

Moderate Profit of $452,000 - Higher Operating Costs

BOARD OF DIRECTORS
HUNTLY R. DRUMMOND, Honorary President
ROBERT P. JELLETT, President
ROSS CLARKSON, Vice-President
The Hon. C. C. Ballantyne, P.C.
LaMonte J. Belnap
Frederic E. Bronson
George A. Campbell, K.C.
D'Alton C. Coleman, C.M.G.
Norman J. Dawes
The Hon. Charles A. Dunning, P.C.
James A. Eccles
B. C. Gardner, M.C.
George W. Huggett
Richard G. Ivey, K.C.
Joseph A. Kilpatrick
Ross H. McMaster
The Hon. S. C. Mewburn, K.C.
Herbert W. Molson
The Hon. Alphonse Raymond, LL.D., M.L.C.
Henry E. Sellers, C.B.E.
Charles F. Sise
Walter M. Stewart
The Hon. L. A. Taschereau, K.C., LL.D.
Austin C. Taylor, C.B.E.

Outstanding Figures from 48th ANNUAL REPORT for the year 1947

EARNINGS (From fees and investments)	(Up $285,000)	$3,737,000
EXPENSES	(Up 291,000)	3,009,000
PROFIT (Before taxes)	(Down 6,000)	728,000
TAXES	(Down 18,000)	276,000
NET PROFIT	(Up 12,000)	452,000
DIVIDENDS	(Unchanged)	380,000

CAPITAL, RESERVE AND SURPLUS
$8,210,000

ASSETS UNDER ADMINISTRATION
$945,000,000

From Annual Meeting Addresses, 10 February, 1948

Probably our greatest immediate problem is that of inflation. Until this is solved, neither Canadian business nor Canadian citizens can know any real stability or security. Yet the solution is becoming increasingly clear, though there continues to be a certain failure (or perhaps a certain refusal) to face and accept it. It is production, and production alone, that in the end will provide inflation with its sufficient answer. Only when the amount of goods is brought more nearly up to the demand will prices find their proper and reasonable level.

There is no other way. And there can be only anxiety over the continuing popular tendency to look to some method or plan, some control or regulation, which may adjust prices without increased production and without the greater effort that increased production requires. The reimposition of regulations or controls, so far from providing an effective solution to inflation, would more likely only delay or discourage the higher productivity which is so urgently needed. If we are ever to get out of our inflationary troubles, we shall have to work our way out. We cannot sit our way out. Our ultimate deliverance will not come about by "doing without" so much as by "doing more".

Some economists in this country, as in other lands, have recommended that inflation be counteracted by high taxes. Some indeed, even go so far as to suggest that taxes should be increased until inflation is mastered. Surely this is a fundamentally mistaken approach. For high taxes, more perhaps than anything else, depress incentives; and if production is to be stimulated, the extra effort must receive the extra reward. To expect people to work harder, and to be practically penalized for doing so, is not to deal in the realities of human nature in a free society.

What I have said illustrates the need to tax in the most intelligent way, with a view to giving personal effort and thrift and the accompanying productiveness, every reasonable encouragement. The only way to increase national wealth or to control inflation is by increasing the industry of the citizens. The only true prosperity is in production, and the best encouragement of production is the rewards won by the citizens in freedom.

ROBERT P. JELLETT, *President.*

The principal business of the Company, that of administering estates and trusts, again shows marked expansion, and the rate at which new Wills are being filed with us has been accelerated by the wider services which we are providing to assist people in analysing their estates and in planning their Wills prior to having them drawn by their lawyers or notaries.

The duties of an Executor and Trustee continue to grow more complex and onerous with high taxation, heavy succession duties, numerous governmental returns, and low rates of interest on investments, but our basic charges or the fees allowed by the Courts for administrative work and responsibility have not been adjusted for many years. The cost of our services to clients is, therefore, relatively less than ever before, and we believe an appreciation of this, by the public, is manifest in the growth of our business.

The slight firming of interest rates which has been noticeable in recent months is a welcome development, and one which is of direct benefit to our clients. This change is overdue, and, as a matter of justice to investors, we hope that the pressure on interest rates will be eased somewhat further.

In every business and profession the tendency towards specialization is steadily increasing, and it is our constant aim to train and develop sufficient officers and staff to enable us to render service to our clients that is, first of all, personal and understanding, and, secondly, expert in each of the various fields of trust company work. The Executive Officers of the Company, the Managers, Assistant Managers and Secretaries of our Branch offices, our Department Heads and their experienced assistants are always available for consultation and are ready and willing to help clients in every way possible.

The size of our organization and the extent of our business enables us to give the greatest value in services rendered for the remuneration received. Our experience and record are assurance that the affairs of those who put their trust in us will be handled with a high degree of efficiency, and of course in strictest confidence at all times.

ROSS CLARKSON, *General Manager.*

THE ROYAL TRUST COMPANY

OFFICES ACROSS CANADA FROM COAST TO COAST

Halifax, Saint John, Quebec, Montreal, Ottawa, Toronto, Hamilton, Winnipeg, Calgary, Edmonton, Vancouver, Victoria

St. John's, Newfoundland — London, England

Alberta Welfare Survey Brings Court Imbroglio

Most Canadians are puzzled as to the background of the Legal Donnybrook now going on—or actually marking time, at the moment—in Edmonton, arising out of prosecution launched by the Alberta Government against the publisher and a staff writer of New Liberty magazine. Libel suits are flying; there are loud cries of infringement of personal rights; and there is the question of homeless babies.

This article tells what is on the public record as to the circumstances leading up to the present imbroglio.

From Our Own Correspondent

EDMONTON — The IODE in Alberta decided that after the war it would conduct a welfare study as its first peacetime major undertaking. The results to date have been somewhat more overpowering than expected.

So far the Order has issued a report which cost it about $7,000 and which eventually may cost a good deal more in legal and other expenses. The provincial government has set up a Judicial Commission on welfare in the province; three persons not of the IODE have been charged with conspiracy to publish defamatory libel and a $25,000 claim for alleged libel damages has been filed against a newspaper by an individual. The Judicial Commission's hearings are proceeding at intervals in camera, pending trial of the libel charges (now scheduled for April).

The IODE decided in April, 1945, to investigate welfare in Alberta. Mrs. R. C. Marshall, provincial regent, said it was felt that welfare work being conducted by provincial, municipal, civic and volunteer organizations lacked co-ordination.

She said that at first no one could be obtained to conduct such a study; but in the fall of 1945, Dr. Charlotte Whitton, well known welfare expert of Ottawa, agreed to undertake it when she could. Actual work on a survey of welfare in the province was started in January, 1947.

"Rude, Unco-operative"

IODE members say co-operation of the provincial Government was sought in making the survey.

Welfare department officials gave as ground for refusing information requested, that under Section 69 of the Child Welfare Act of Alberta, it is a criminal offense to disclose any information from confidential files. The Child Welfare Commission of the Department of Public Welfare published an advertisement in daily newspapers, warning municipal authorities against disclosing any confidential information to any organization asking for information other than of a general nature.

Months before the IODE report was published, Dr. Whitton criticized welfare setup in Alberta.

Dr. Whitton said in a public address, that there were major shortcomings in the administration of welfare in Alberta. Government officials charged a "concerted" drive had been launched by private welfare agencies to try to take over the complete administration of welfare work from control of the Government.

Enquiry Ordered

Also, Alberta newspapers were publishing articles about welfare in Alberta. The Calgary Herald ran a series of articles dealing with the welfare department. Specially assigned to this work was a Herald reporter, David Stansfield, who later joined the Department of External Affairs staff. His articles severely criticised the department and some welfare officials.

After many recriminations on the part of both the IODE and welfare officials, the Government announced a judicial commission, headed by Chief Justice Howson of the Trial Division of the Alberta Supreme Court, would investigate the administration of public welfare.

This announcement was made in July, 1947; and about 10 days later the IODE report on welfare conditions in Alberta was made public. It strongly criticized the Government's welfare organization; not only child welfare, but also care of the aged, the chronically ill, delinquents, prisons and prison welfare work.

The Government called for a "full investigation," not only into the policies of the child welfare branch but also into "charges, allegations and reports" concerning the branch, contained in 33 articles and editorials in Alberta newspapers. The commission was instructed to determine if the policies of the child welfare commission are in the best interest of children and other citizens.

A number of briefs from various organizations, aside from the IODE report, were submitted to the commission, which began its sittings last August, An adjournment was granted on the request of George H. Steer, counsel for the IODE and for Dr. Whitton. Eric L. Harvie, of Calgary, counsel for the Calgary division of the Southam Co., supported the request.

Suit Against Newspaper

In September, C. B. Hill, superintendent of the Child Welfare Branch, filed a $25,000 libel suit against the Calgary Herald, based on articles in the Herald on May 27 and 28, dealing with the administration of child welfare in the province.

Hearings were resumed on Nov. 24.

In the Dec. 27 issue of New Liberty Magazine an article appeared entitled "Babies For Export" and sub-entitled "Alberta's Tragic Traffic in Babies." It appeared on newsstands about 10 days before Christmas, and was said to be based on the IODE report.

Chief Justice Howson referred to the article as "scurrilous" and warned that it should not be distributed from newsstands. After about 36 hours' delay, distribution in Alberta was made on advice from counsel for the magazine. The publisher, Jack Kent Cooke, and the writer of the article, Harold Dingman, were asked to appear before the commission to "show cause" why they should not be committed for contempt of the commission. They refused; and early in January a warrant was sworn out by the Alberta Attorney-General's department for their arrest, and two RCMP constables were sent east to make the arrests.

The record at present shows 13 charges have been laid. Two under the Criminal Code, two under Common Law and another alleging counselling with the magazine distributor to publish defamatory libel, are against Cooke. Dr. Whitton and Dingman each face four charges of conspiracy to publish defamatory libel.

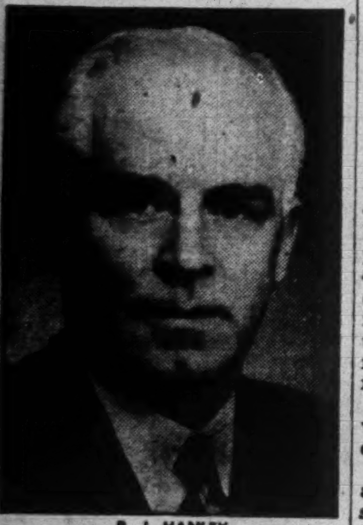
Dr. Whitton testified before the Commission that she had read the manuscript of Dingman's article "Babies for Export," and had "made some suggestions for changes." She had not read the article as it appeared in the magazine.

Dr. Whitton read a clipping from the Chicago Sun, stating that Californians headed the list of U. S. foster parents, adopting Alberta babies. Utah, Montana and Wisconsin ranked next in order.

In the meantime evidence given before the Howson commission in Edmonton included:

Superintendent Frank H. Drayton of Edmonton Children's Aid Society denied a reporter's statement that the Edmonton detention home had "a cell block with a dank, musty smell like a monkey house at a zoo"; and branded as "inaccurate" criticisms by Dr. Charlotte Whitton of the home.

BANK OF TORONTO APPOINTMENT



P. J. HANLEY

The Bank of Toronto announces the appointment of Mr. P. J. Hanley as Assistant General Manager.

Commencing his career as a Junior clerk in Collingwood, Mr. Hanley advanced rapidly in the service, acquiring experience in several Ontario cities as well as in Winnipeg. After a period as Manager in St. Catharines, one of the Bank's more important branches, in 1931 he was made a Supervisor in the Head Office, Chief Supervisor in 1938, General Superintendent in 1943, which position he filled until the present. *

PHOTOSTAT PRINTS
ADEL. 3441
COMMERCIAL PHOTOPRINTS LTD
24 Adelaide St. W.

2129 Canadian Business Firms Receive "O'BRIEN'S BULLETIN" Monthly
MAILED ON REQUEST.
O'BRIEN
Advertising Limited
DOMINION BUILDING
VANCOUVER, B.C.

TANNERS Since 1844
BEARDMORE
Leather Belting
DRIVES BEST
BEARDMORE & CO. LIMITED
TORONTO MONTREAL

MANAGEMENT SERVICES
in
Time, Motion and Methods Study
Incentive Plans and Job Evaluation
Foremen and Supervisory Training
Personnel Selection, Placement and Training
Cost, Production, and Budgetary Controls
Sales, Distribution and Markets
Office Systems
Surveys of Operations
J. D. WOODS & GORDON Limited
15 Wellington St. W., Toronto, Canada
MANAGEMENT CONSULTANTS

Ask Libel Charges Be Heard In 'Province of Publication'

The Alberta "libel conspiracy" trials have brought a demand from Canada's Periodical Press Association that Parliament amend the law to ensure that, no matter what form a libel action takes, the proceedings will be held in the province in which the principal publishing office of the publisher is located.

In a resolution sent to Justice Minister J. L. Ilsley and now made public, the PPA calls for amendment of Section 888 of the Criminal Code.

It terms the Alberta prosecutions "an evasion of the true intent of the Code" and "an unwarranted reduction of the fair and proper protection owing to proprietors, publishers, editors, etc. of publishers, regardless of any legal distinction there may be among offences relating to criminal libel."

After quoting from Section 888, which provides that every publisher or editor charged with publication of any defamatory libel shall be tried in the province where he resides or prints his paper, the Association offered Mr. Ilsley the following amendment to Section 888 to make it "abundantly clear" that all future defamatory libel actions should be taken in the publisher's home province only:

"Nothing in this Act authorizes any court in one province of Canada to try any person for any offense committed entirely in another province, and for the purpose of any charge of an offence relating to, or arising out of, the publishing of the contents of a publication or of any issue thereof, the province in which is located the principal publishing office of the publisher shall be deemed to be the province in which the offense is committed entirely."

The resolution was sent on behalf of some 475 national newspapers, magazines and periodicals which have a combined circulation of more than 8.5 million copies per issue.

Old Land Industry Needs Spokesmen Abroad—Baxter

"Despite the Government's seeming indifference to the great contribution Canada has made to Britain during the war and during the postwar years, the manufacturers, particularly in the Midlands, are very conscious of their debt to Canada."

So Major James Baxter, president of McKim Advertising Ltd., told The Financial Post on his return from a 24,520 mile air journey to Britain and South Africa.

Commenting on the intense British drive for increased export, he pointed out: "There is vital significance in the fact that nearly twice as many workers as prewar are now producing for export only one fifth more goods." Exports, he said, are now running at the rate of no more than 20% above prewar, though the government target is for a 40% increase by midsummer and a 60% increase by the year end.

Needs Overseas Salesmen

"Britain's export problem," Major Baxter said, "is that she is becoming a high-cost country in labor, fuel, power, transport and raw materials. She now recognizes that, side by side with market research, is the need for overseas salesmen of a new quality. Businessmen in Britain are forging ahead despite government attitudes and restrictions; but British industry needs spokesmen of a new kind and quality and perseverance.

"Unfortunately, in general, the British manufacturer is much more willing to export goods to other parts of the Empire than he is to Canada. He does not like the highly competitive costs of doing business in this country.

"But he is becoming increasingly aware of the American competition in markets which he formerly dominated; in South Africa for instance.

Canada Gaining A Market

"I thought figures published while I was in Capetown were significant. Of the total of 4,000 automobiles imported into the Union of South Africa in the preceding four months, 3,400 were of U. S. make, 400 Canadian and 200 British.

"American manufacturers are vigorously exploiting Commonwealth markets. They are busy designing goods especially for overseas. They are carrying out continual market surveys, so that they can promptly meet changes in buying habits.

"The Canadian exporter is doing well in the Union. Canadian Car and Foundry is delivering modern, up-to-date buses to the South African Railways. Washing machines, electric stoves and other much-sought-after household equipment is going in considerable quantity from Canada."

The Baxter air route from London south was as follows: Jan. 22, London to Tripoli and Khartum; Jan. 23 to Johannesburg; Jan. 24 to Capetown (for two days); Jan. 26 to Paarl; Jan. 27 to Worcester; Jan. 28 to Robertson, Jan. 29 to Bonnieville; Jan. 30 to Johannesburg; Jan. 31 to Nairobi; Feb. 1 to Khartum and Cairo; Feb. 2 to Tripoli and London.

COMPANY REPORTS

DONNELL & MUDGE LTD. net profit for the year ended Nov. 30, 1947, was off 44.9%. Sales were off slightly, due primarily to difficulty in obtaining raw stock for some of the company's lines, principally "Royal Crown" mouton fur. There was also some temporary disturbance in the leather division of the company's business, immediately following the lifting of price ceilings on Sept. 15, 1947.

The sizeable increase in working capital resulted largely from adjustment of prior years' provision for taxes, following adjustment of the company's standard profit.

Volume of orders on hand and business in sight is exceedingly encouraging, and directors consider prospects for 1948 excellent, President P. J. Duggan states.

INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net earnings	$196,725	$473,443
Less: Depr.	22,980	16,919
Int. & desc.	990	......
Income tax§	54,500	248,443
Invent. res.	8,080	8,008
Net profit	110,175	200,073
Less: Cl. A divd.	12,675	......
Com. (old) divd.	800	800
Surplus for year	96,700	199,273
§Incl. ref. EPT	......	4,817
Earnings per Share‡ and Dividend Record:		
Class A:		
Excl. ref. EPT	$4.35	$7.89
Incl. ref. EPT	4.35	8.08
Paid	0.50	......
Common:		
Excl. ref. EPT	2.10	4.34
Incl. ref. EPT	2.10	4.46
None paid.		
Old com.: Paid	5.00	5.00

‡Based on present capitalization; common, after deducting full year pref. divd.

CONDENSED BALANCE SHEET

As at:	Nov. 30 1947	May 31 1947
Cash	$191,085	$62,575
Accts. rec.	75,044	45,220
Tax recov.	174,989	186,297
Inventories†	194,639	330,084
Total curr. assets	635,757	624,176
Prep. exp., etc.▲	54,976	54,542
Fixed assets*	169,214	170,696
Total assets	859,947	849,414
Bank loan	15,098	4,764
Accts., tax, etc., pay.	62,229	68,514
Total curr. liabs.	77,327	73,278
Capital stock	65,000	65,000
Earned surplus▲	‡717,620	711,136
†Less reserve	83,045	91,125
*After depr. of	290,793	279,466
▲Incl. ref. EPT	42,088	41,214

‡Reflects $50,000 transfer from contingency reserve, $229,024 recoverable credit on prior year taxes, and $83,096 debit for dividend to shareholders from accumulated undistributed income.

Working capital	558,430	550,898

Doubt Fertilizer Price to be Cut By WPTB Order

MONTREAL (Staff) — Compound fertilizer prices, established in November, 1947, and still in effect, will not be affected by the recent WPTB order rolling back ammonium nitrate prices by $16.50 a ton, manufacturers say.

Most of the fertilizer used in Canada is of the "compound" or "mixed" variety composed of nitrogen, phosphate and potash. In 1946, sales of straight ammonium nitrate were only 6,085 tons, against 542,497 tons of mixed fertilizers. On an average, there is approximately 4% ammonium nitrate in most mixed fertilizers sold, it is stated. Selling prices of mixed fertilizers are estimated to be about 8% higher than a year ago, it is stated.

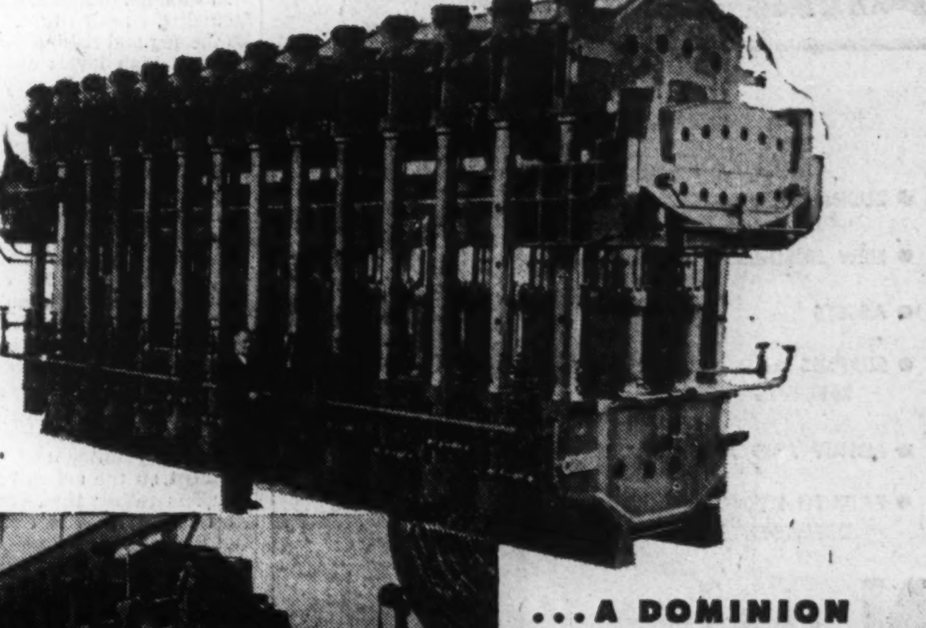
Manufacturers say that increase in the price of other ingredients such as potash and nitrogen phosphate, more than offsets the rollback in ammonium nitrate prices; and declared that other costs are also up, bags 17%, labor 13%.

In view of the world-wide shortage of fertilizer, manufacturers voice grave concern over ability of their plants to meet heavy demands placed upon them this year.

Joins Directorate of Guaranty Trust

Lieut.-Col. J. Roméo Gauvreau, C.E., well known Montreal Mining Executive, President of Sullivan Consolidated Mines Limited, and other companies whose election to the Board of Directors of GUARANTY TRUST COMPANY OF CANADA is announced by Mr. J. Wilson Berry, President of the Company. *

CANADA'S LARGEST HYDRAULIC PRESS



...A DOMINION ENGINEERING JOB!

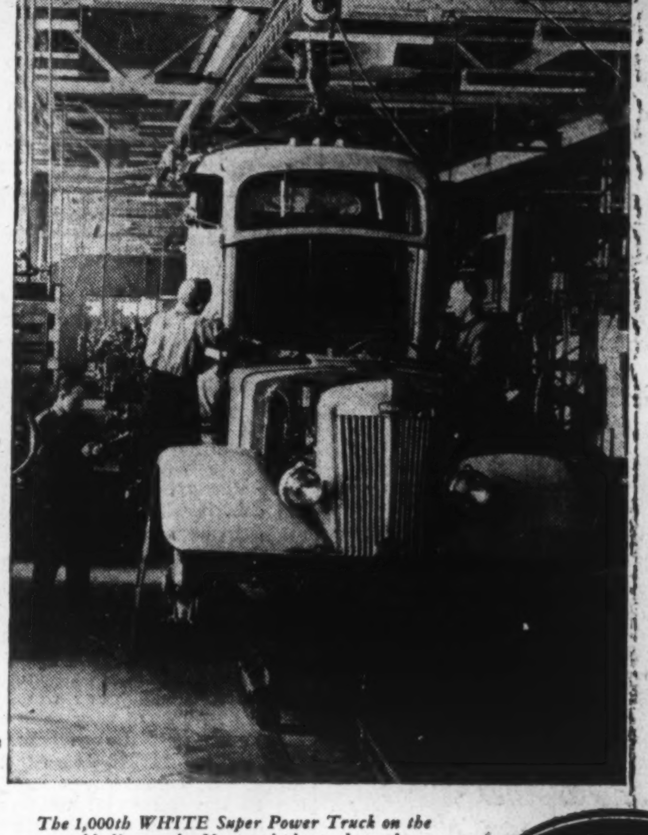
It took experience, skill, engineering "know how" to build this mammoth press, which has a squeeze of 4,310 tons—the largest machine of its kind ever turned out in Canada. It called for special designing, for complete plant facilities, for close collaboration between the engineering staffs of Dominion Engineering and those of the purchaser, the Goodyear Tire and Rubber Company. In the latter's plant at Bowmanville, Ontario, this giant press is now at work, curing and producing still better heavy conveyor belts for industrial use.

Dominion equipment may be the answer to *your* particular problem. Our technicians will gladly advise—without obligation. Write Dominion Engineering Co. Ltd., P.O. Box 220, Montreal.

DOMINION ENGINEERING Company LIMITED
MONTREAL CANADA
TORONTO WINNIPEG VANCOUVER

A Triumph of Canadian Automotive Achievement

Aerial view of WHITE's model postwar factory occupying a 9-acre site at the Decarie Boulevard and Cote de Liesse Road traffic circle in the new industrial section of the Town of Mount Royal.



The 1,000th WHITE Super Power Truck on the assembly line at the Montreal plant where cleanliness, perfect lighting, and spacious quarters for all departments contribute to ideal working conditions.

SINCE the opening of our new $2,000,000 truck and bus manufacturing plant in Montreal just over a year ago, it has been the objective to produce WHITE Super Power Trucks in Canada with as high a percentage of Canadian materials as possible.

This percentage has been steadily increased with every WHITE truck completed, and we owe much to our Canadian suppliers for their help in making this possible. Recently the 1,000th WHITE came off the production line at the Montreal factory.

We are naturally proud that the announcement of this achievement comes at a time when the Dominion Government has moved to step up Canada's industrial production by encouraging manufacturers to increase the Canadian content of their products.

We invite you to discuss your trucking needs with the WHITE Branch or Sales & Service Centre in your vicinity. They will help you select the right truck for the job to be done, and WHITE's system of personalized service and maintenance will enable you to control your transportation costs with scientific accuracy. WHITE Super Power Trucks are *precision tools of transportation*, chosen for their quality and economical operation by the leaders in every truck-using industry.

White

THE WHITE MOTOR COMPANY OF CANADA LIMITED
Factory at Montreal
Branches: Montreal • Toronto • Winnipeg
Calgary • Vancouver
Sales & Service Centres in principal cities

FOR MORE THAN 45 YEARS THE GREATEST NAME IN TRUCKS

Still MARCHING AHEAD!

- BUSINESS IN FORCE $101,033,937
- NEW BUSINESS . . . . $ 14,713,195
- ASSETS . . . . $ 19,272,871
- SURPLUS AND CONTINGENCY RESERVES . . . . $ 846,673
- POLICY AND ANNUITY RESERVES . $ 16,023,594
- PAID TO LIVING POLICYHOLDERS OR DEPENDENTS OF THOSE WHO DIED $ 1,051,499

Northern Life
Assurance Company of Canada
R. G. IVEY, K.C., President — G. W. GEDDES, General Manager
Established 1897 — Home Office: London, Canada
481

Life Insurance Powerful Weapon In Canada's Anti-Inflation Fight

Life insurance company executives at their annual meetings recently stressed the important part life insurance plays in the national economy in providing security and as a weapon in the battle against inflation. Firmer interest rates, achievements of free enterprise, improvement in mortality rates and the general business outlook, were also among factors discussed. Summaries of their addresses follow:

LOUIS L. LANG, President The Mutual Life Assurance Co. of Canada.

In Canada, production in manufacturing, agriculture, mining, lumbering and fishing should continue at high levels during 1948. Some 1947 records may be surpassed. We are narrowing the gap between the needs of our own people and the available supplies of all kinds. In addition we are exporting quantities of food and goods to many countries on the greatest scale in our history. There are many indications this double task will be continued. How long this situation will last is a matter of intense interest and consideration, but is quite incapable of definite prediction.

We might have better success in looking into the future if all the determining factors were within our own country and were dependent on the action of the free markets rather than government decree. But that is emphatically not the case.

There is widespread disappointment that the international machinery set up by the United Nations has not produced better results. Its achievements to date are definitely below what was expected. Part of the cause was the refusal of certain countries, led by Russia, to co-operate with other countries in the task of clearing away the ruins of war and rebuilding stricken countries. The magnitude of the task must be taken into account. In spite of difficulties, some progress has been made. Great Britain, the United States, France and some smaller countries are apparently determined to go ahead by themselves. In the meantime Canada, vitally affected by external decisions and events, must take an intelligent interest in world affairs and co-operate with other countries in dealing with them.

Prices are still rising and, unless something unforeseen intervenes, will probably continue to rise for some months. Articles became scarcer than was necessary during the last two years, because of the very human desire of people, after the war, to spend their money on anything they could get. We would be in a better position today if we had exercised more restraint since the war. If we do not practice self-denial where possible, the well-meaning but heavy and inept hand of governments will force action.

Life insurance is rendering valuable service by providing family security and encouraging systematic thrift. It is, however, also rendering an equally valuable service in syphoning off an increased amount of the national income into channels other than the purchase of commodities. from this standpoint alone, the continued expansion of life insurance is commendable.

Canadians stand high in progressive attainments in religion, education and social welfare and in material fields which have provided one of the highest standards of living in the world. This is due largely to following a policy of free and individual enterprise.

Above all, Canadians must uphold the conception of spiritual values. Materialistic philosophies perish with materialistic nations they have misguided. The characters of peoples are their real wealth and hope.

• • •

H. W. MANNING, Vice-President and General Manager, Great-West Life Assurance Co.

The downward trend in interest rates has been a feature of the last decade. Recently rates have hardened and shown a fractional increase. We cannot forecast how far this will go, but we anticipate a continuation of the recently changed trend. Higher interest rates may act as a deterrent to continued inflation. The interest rate — that is, the price paid for the use of money — was one of the very few items which had not risen in this period of spiralling prices. This anomaly penalized thrifty and provident citizens whose savings invested in life insurance, help provide the capital requirements of agriculture, industry and government. The trend in interest rates influences the rate of dividends paid to policyholders and thus the net cost of their insurance. Therefore it would appear that maintaining interest rates on the national debt at arbitrarily low levels is, in effect, placing an inequitable share of the burden on insurance policyholders.

Inflationary tendencies everywhere apparent, are a vital concern of everybody. Increased wages and material costs and the insistent demand for replacement of wartime shortages have forced prices upward. Added to the abnormal domestic demand were the urgent demands from abroad for food materials and equipment.

This inflationary period will not continue indefinitely, for the urgent domestic requirements are in process of being satisfied, and Europe will again recover its productivity. Inflationary prices must be restrained from going too far. The higher they go, the more serious the adjustment when the inevitable correction comes. Deferment of postponable spending now will help maintain production and employment when the boom subsides.

Life insurance policyholders help to curb inflation. Their savings represent the removal of an equivalent purchasing power from the market, with a consequent easing in the upward pressure on prices. Again, savings, when invested by the insurance companies, help industry and agriculture expand productive capacities and increase the supply of goods. Increased volume of supplies is one of the surest remedies for inflationary tendencies.

Life insurance continues to be a vitalizing force in the national economy; and prospects for further growth appear bright. The cost has risen least of all items in the policyholder's budget.

Improvement in mortality rates in recent years has been most pronounced at the younger ages, and has resulted largely from lower death rates from childhood diseases, tuberculosis and pneumonia. Heart diseases and cancer continue to account for the majority of deaths among policyholders. There remains in these fields a large area for medical research to which the insurance companies are making a substantial contribution.

• • •

ARTHUR B. WOOD, president Sun Life Assurance Co. of Canada:

The part life insurance plays in our economic system is not limited to its primary function of providing security for the individual. From the very nature of the business the companies, through the investment of their funds, are constantly contributing to the industrial welfare of the country. A main feature of our democratic system is that it enables the savings of many people in all walks of life to be used in meeting the economic needs of the country. Life insurance does this. The company funds are the accumulation of small payments, contributed by millions of policyholders all over the country. This money otherwise would have remained idle in the pockets of the owners, but brought together, it forms a reservoir of money available for long-term investment.

The primary function of life insurance is to afford the individual the facilities for creating an estate for himself and his family through his own energy, initiative and ability. There are three processes: 1. collection of many small sums from a vast number of people throughout the land; 2. investment of these funds in sound securities, yielding remunerative rates of interest; 3. distribution of these funds to beneficiaries of deceased policyholders and to living policyholders, when their contracts mature.

The amounts of life insurance money paid out by this company, ranging from $1,000 or less to $250,000 on contracts which had been in force for periods ranging from only a few days up to 67 years, exemplifies the widespread character of life insurance service. It embraces a cross-section of the community, for our policyholders are found in all classes of occupations and all brackets of financial standing. The fact deserving particular notice is that the vast proportion of policyholders are persons in modest stations of life, to whose families a few thousand dollars, coming to them on the death of the breadwinner, may mean the difference between preservation of the home and actual destitution.

Life insurance is not bought without a strong aggressive sales organization; and, without it, the public would be inadequately insured, experience shows.

During the past year, despite the general increase in the cost of living, the increased output of consumer goods available to meet a long pent-up public demand, the widespread purchase of homes and many other capital investments competing with life insurance for the individual's surplus dollars, life insurance sales in Canada and the United States generally were maintained at the same level as in 1946.

Due to low interest rates, some companies, including the Sun have increased premium rates on business issued after Jan. 1. But having regard to dividend rates etc., it is expected the cost of insurance to the individual (on new policies) will be practically the same. There was no concerted move among the companies as a whole.

Of policies surrendered voluntarily for cash in 1947, about 80% had been in force over 10 years, many for over 25 years or more; and in many cases the cash value served the purpose of a partial endowment. Lapses occur mostly in the first year and are about one per cent of total ordinary insurance in force.

Actuarial Awards Offered To Students in Mathematics

The Canadian Life Insurance Officers Association is offering a series of 20 prizes of $100 each to Canadian students who take the best standing in early actuarial examinations of the Actuarial Society of America and the American Institute of Actuaries.

There are many attractive opportunities for actuaries in Canada, and the Association hopes that giving these prizes will stimulate interest among students having a special aptitude for mathematics.

Ten awards ($100 each) will be made to students taking the highest marks on the whole of the general mathematics examination, part 2, and 10 to those getting the highest marks on the whole of the special mathematics examination. Part 3 (all awards dependent on papers submitted being up to standard).

Awards in part 2 are contingent on the student's passing part 1 not later than one year after passing part 2; and part 3 awards on the student's passing parts 1 and 2, not later than one year after passing part 3.

The Actuarial Society of America and the American Institute of Actuaries also offer one $200 prize and eight $100 prizes to the nine successful candidates ranking highest on parts 1 and 2 of the examinations. These prizes are also open to Canadian students.

Each Accident And Fire Loss Boosts Costs

Consumers' Carelessness Contributes to High Living Expenses, Declares A. Leslie Ham

Canadian consumers worried about the high cost of living should remember that they have contributed to this state of affairs by their own carelessness, A. Leslie Ham, manager of the Canadian Underwriters Association at Montreal, told the insurance study group of the Young Men's Section of the Montreal Board of Trade. Discussing the loss situation in various insurance departments, he said:

"Every fire and every automobile accident causes a loss to the community whether or not insurance is carried. As citizens of Canada we are paying for last year nearly $50 millions in fire losses and an estimated $25 millions in insured automobile loss.

"This total, together with burglary, plate glass and general liability losses, is reflected in the price we pay for goods.

"Therefore, when blaming the war, the Government, Russia's policy in Europe and many other factors for the present serious condition of affairs, it is well that we appreciate the contribution our own carelessness makes to that end."

Insurance is the handmaiden of trade and commerce Mr. Ham stated and warned that a socialistic state, with the denial of private property and the dulling of the spur of self interest by state paternalism would eliminate the need for insurance. Insurance is an integral part of the democratic and free enterprise system, he declared.

Only in a community where one is free to get a return is one prepared to venture and in that venture, one seeks to guard against catastrophe by application of the principles of insurance.

INSURE WITH CONFIDENCE . . .
With the first British Insurance Office established in Canada, 1804.
PROTECTION
PHOENIX
ASSURANCE COMPANY LIMITED OF LONDON, ENGLAND
55 Wellington Street West, Toronto.
FIRE • AUTOMOBILE • CASUALTY
INLAND TRANSPORTATION • MARINE

Would Your Insurance Finish the Job?

If your home (or other property) were destroyed by fire, would the insurance be adequate to cover the cost of rebuilding? In other words, is the insurance based on present replacement costs? Too many property owners neglect the matter of increasing their insurance to correspond with rising costs of building. Others overlook the additions made to contents from time to time. A periodical check-up of building and contents is a wise precaution.

PEARL
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
Head Office for Canada: VICTORY BLDG., TORONTO
W. C. BUTLER, Manager for Canada — H. O. FLOWER, Assistant Manager

EXPORT "A"
FILTER TIP
CIGARETTES
20's in PACKAGES
50's in FLAT TINS

Dominion Appraisal Company Limited
Industrial Plant Appraisals for Insurance-Accounting and Government Requirements.
Head Office
137 Wellington St. West
TORONTO ELgin 5928
MONTREAL
University Tower Building

Here is a RECORD that speaks for itself

Nearly one-seventh of all the life insurance bought in Canada is purchased from the London Life.

This fact shows how generally Canadians are using the facilities of the London Life in the vitally important matter of providing funds for the future of themselves and their families.

—Low cost insurance
—Service by high calibre, well-trained representatives
—Financial strength

These factors largely account for the volume of life insurance being purchased from this Company.

London Life
Insurance Company
Head Office - London, Canada

A World of Security

GROUP LIFE
SICKNESS & ACCIDENT
DEATH & DISMEMBERMENT
SALARY SAVINGS PLAN
GROUP RETIREMENT ANNUITIES
HOSPITALIZATION, SURGICAL FEE & MEDICAL EXPENSE BENEFITS
HOSPITALIZATION, SURGICAL FEE & MEDICAL EXPENSE BENEFITS FOR DEPENDENTS
A COMPLETE GROUP INSURANCE SERVICE

Complete Range of Group Plans Protects Thousands of Employees

More than one thousand firms employing from ten to thousands of people now enjoy the benefit of one or more forms of Confederation Life Group Plans.

Offering one of the most complete ranges of Group plans in Canada, the Confederation Life is in a position to work out the best form of Group coverage to meet the needs of YOUR employees *and* THEIR dependants.

FOR FURTHER PARTICULARS ADDRESS
Confederation Life Association
HEAD OFFICE TORONTO
At Head Office or any Branch.

WARNING!
to careful drivers

Even the world's most careful driver can't tell what the other fellow is going to do... can't foresee fog or sleet... can't overlook the element of chance. So in addition to driving carefully, these days, be fully insured at all times. We will be glad to go over your automobile insurance requirements to find out whether you are completely protected. Just phone . . .

HARRY PRICE INSURANCE AGENCIES LIMITED
TORONTO

GUARD YOUR TRAVEL FUNDS with
Canadian Pacific Express TRAVELLERS CHEQUES

DUNHAM DIFFERENTIAL HEATING
Controlled Steam for SCHOOLS
Information on request
C. A. DUNHAM COMPANY LIMITED
1523 Davenport Road, Toronto 4

Automobile and General Casualty Insurance
Lumbermens
Agency Inquiries Invited
"THE SAFETY-MINDED COMPANY"

Borrowing at Chartered Banks Lower Public Deposits Establish New High

Loans and deposits of the chartered banks in December reversed their performance of the previous month, loans showing a decline against November's rise to a new high level, while public deposits, both demand and savings, increased.

Current loans on Dec. 31 are shown in the monthly bank return to the Finance Minister at $1.921 millions, down $63 millions from November but $467 millions above Dec. 31 in 1946. The decline is a seasonal one, a common development in most prewar years and attributed to several factors, including liquidation of grain loans as wheat is exported, natural contraction in loans as stocks of Christmas goods are turned into money, and the tendency of industrial and commercial companies to reduce loans so they can show a more liquid condition in their annual statements.

Canadian call loans during the month were slightly higher, reflecting more active security markets. Borrowing by the provinces was $4 millions higher, but municipal loans were down $6 millions.

Public deposits, after dropping in November from a new high level of $6,015 millions in October again set a new high record on Dec. 31 at $6,036 millions, exceeding the previous high by $21 millions. Demand deposits were up $169 millions, and savings deposits up $30 millions. The increase in demand deposits is attributed in some quarters to money received for grain.

Bank investments, which have been declining recently, showed a moderate rise of $24 millions on the month. The increase in investments did not quite balance the decline in loans. The rise was mainly in Dominion Government short-term issues. Chartered bank note circulation was down slightly on the month and over $3 millions on the year. Important items in the monthly statement, with comparisons, follow.

Use of Bank Credit in Canada

(In Millions of Dollars)

	Dec. 1947	Nov. 1947	Change	Dec. 1946	Change
Loans	2,104.0	2,156.8	—52.8	1,642.7	+461.3
Investments	3,873.9	3,849.7	+24.2	4,231.8	—357.9
Total	5,977.9	6,006.5	+28.6	5,874.5	+103.4
Deposits	6,035.9	5,836.8	+99.1	5,760.1	+275.8
Credit index*	34.9%	37.0%	—2.1%	28.5%	+6.4%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS
(In Thousands of Dollars)

	Dec. 1947	Nov. 1947	Change	Dec. 1946	Change
Canadian coin	10,924	10,335	+589	10,684	+240
Bank of Canada notes	183,911	148,232	+35,679	176,861	+7,050
Bank of Canada deposits	536,160	536,703	—543	565,470	—29,310
Bank's cash	730,995	695,270	+35,725	753,015	—22,020
Gold sub. coin abd.	3,284	3,285	—1	2,696	+598
Foreign banks	191,090	182,541	+8,539	191,723	—633
Foreign currency	123,943	126,853	—2,910	92,901	+31,042
Call loans abroad	55,827	64,486	—8,659	77,097	—21,270
Government securities:					
Dom. short term	620,526	580,353	+40,173	1,199,650	—579,124
Prov. short term	110,176	109,651	+525	108,749	+1,427
Dom. long term	2,027,698	2,066,441	—38,743	2,117,555	—89,857
Prov. long term	357,569	355,910	+1,659	207,700	+49,869
	4,221,108	4,184,790	+3,318	4,751,086	—529,978
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	133,292	134,036	—744	115,462	+17,830
Public secs.‡	270,876	282,215	—11,339	275,525	—4,649
Other secs.	353,855	321,188	+32,667	207,188	+146,667
Can. call loans	104,941	91,611	+13,330	135,476	—30,535
Current loans	1,921,302	1,985,290	—63,988	1,453,801	+467,501
Loans abroad	233,798	222,008	+11,790	177,952	+55,846
Prov. loans	37,129	32,851	+4,278	28,631	+8,498
Mun. loans	40,641	47,049	—6,408	24,801	+15,840
	3,095,834	3,116,248	—20,414	2,418,836	+676,998
Other Assets					
Noncurrent loans	1,159	1,131	+28	939	+220
Real estate	620	627	—7	852	—232
Mortgages	1,215	1,307	—92	1,649	—434
Premises	70,101	69,454	+647	64,221	+5,880
Letters of credit	201,220	213,351	—12,131	212,904	—11,684
Loans to comp.	10,931	10,926	+5	10,308	+623
Other assets	6,749	6,593	+156	5,715	+1,034
	291,995	303,389	—11,394	296,588	—4,593
Total	7,608,937	7,604,427	+4,510	7,466,510	+142,427
Note circ. dep.	1,110	1,110	......	1,334	—224
Int. bank bal.	363,939	254,444	+109,495	330,784	+33,155
Gross	7,973,986	7,859,981	+114,005	7,798,628	+175,358

LIABILITIES

	Dec. 1947	Nov. 1947	Change	Dec. 1946	Change
To the Public					
Circulation	18,202	18,384	—182	21,422	—3,220
Dom. govt.	262,205	340,248	—78,043	365,927	—103,722
Prov. govt.	113,548	102,195	+11,353	125,969	—12,421
Deposits by Public					
Demand dep.	2,295,585	2,126,446	+169,139	2,290,809	+4,776
Savings dep.	3,740,442	3,710,418	+30,024	3,469,322	+271,120
Total	6,036,027	5,836,864	+199,163	5,760,131	+275,896
Foreign Deposits					
Dep. elsewhere	737,540	748,187	—10,647	716,031	+21,509
For. curr. in Canada	86,690	88,235	—1,545	96,727	—10,037
Total	824,230	836,422	—12,192	812,758	+11,472
Due to Banks Abroad					
United Kingdom	39,053	38,635	+418	32,747	+6,306
Foreign	101,944	101,040	+904	103,778	—1,834
Letters of credit	201,220	213,351	—12,131	212,904	—11,684
Other liab.	5,350	5,913	—563	3,576	+1,774
Total public liab.	7,601,779	7,493,052	+108,727	7,439,212	+162,567
Due other banks	29,121	23,209	+5,912	24,707	+4,414
Liability to Shareholders					
Dividends	3,114	3,748	—634	2,037	+1,077
Reserve	181,750	181,750	......	176,750	+5,000
Capital stock	145,500	145,500	......	145,500	......
Gross	7,961,264	7,847,259	+114,005	7,788,206	+173,058

‡Other than Canadian.

T.S.E. Short Issues Shown

The semi-monthly short selling report of the Toronto Stock Exchange as of Jan. 30 shows the aggregate short positions, eliminating odd lots, on the books of member firms at 430,750 shares of 139 issues, compared with 437,110 shares of 140 issues on Jan. 15.

Here is the position for the individual stocks:

Stock	Shares
Abitibi	600
Do., pr.	200
Amal. Lard.	2,000
Anglo Cdn.	600
Anglo Rouyn	1,500
Argus Corp.	1,475
Armistice	2,500
Bear Explor.	9,500
Beaulieu	18,500
Bell Tele.	105
Bevcourt	2,500
Bidgood	1,500
Br. & Mill. A	600
Brazilian	300
B. C. Forest	1,700
Brit. Dom.	4,000
Brown Co.	300
Buffadison	21,400
Buff. Ank.	4,900
Buffalo R. L.	1,000
Cal. & Ed.	2,300
Calmont	1,000
Campbell R. L.	200
Can. Cement	250
Cdn. Brew.	1,700
Cdn. Malartic	500
CPR	2,200
Cent. Pat.	4,400
Cent. Porc.	1,500
Chesterville	2,900
Coniaurum	1,000
Cons. Beattie	800
Cons. Smelt.	70
Cons. Paper.	100
Detta R. L.	2,100
Discovery	1,000
Diversified	20,800
Dome	100
Dom. Coal pr.	125
Dom. Fdry.	3,000
Dom. Stl.	1,500
Dom. Stores	25
Dom. Textile	200
Donalda	16,300
Dulama	2,000
E. Malartic	3,800
E. Sullivan	500
Eldona	30,300
El Sol	1,000
Eureka	1,100
Fam. Players	200
Fleet Mfg.	1,800
Foothills Oil	500
Gen. Stl. W.	200
Giant Y'nfe	200
Globe Oil	500
God's Lake	1,000
Golden Man.	700
Gr. Lakes P.	400
Guayana	1,500
Gypsum, Lime	200
Hasaga	500
Heva	10,600
Home Oil	5,100
Hosco	4,000
Imp. Oil	200
Int. Nickel	400
Int. Paper	300
Int. Uranium	1,000
Joburke	2,000
Kenville	10,000
Kerr Addison	1,000
Labrador	3,200
Laguerre	5,000
Lake Wasa	500
Lamaque	100
Lapaska	16,000
Larder "U"	1,000
Laura Secord	225
Lingman L.	4,500
Little L. L.	500
Loblaw A	125
Do., B	50
Louvicourt	11,200
Lunward	1,000
MacDonald	17,100
MacLeod C.	3,600
Madsen R. L.	500
Magnet Cons	3,000
Malartic G.	1,200
Marcus	9,000
Massey-Harris	300
McColl-Fron.	2,800
McIntyre	50
McMarmac	4,000
M & O Paper	800
Mtl. Loco.	100
Mylamaque	3,000
Negus	13,100
Newnorth	500
N. Norzone	5,500
Normetal	900
O'Brien	1,000
Okalta Oil	8,000
Omnitrans	500
Orange Crush	100
Osisko	33,600
Osulake	500
Pamour	200
Paymaster	1,500
Pen-Rey	1,000
Perron	500
Piccadilly	500
Porcupine Pen	500
Porc. Reef	3,000
Queenston	500
Quemont	500
Roxana Oil.	2,900
St. Law. Corp.	300
San Antonio	700
Senator	1,000
Shawkey	500
Sherritt Gor.	2,200
Silanco	1,000
Silver Miller	26,000
Simpsons A.	25
Do. B	100
Sladen Mal.	500
Spring. Stur.	600
Stand. Chem.	400
Steel Rock.	7,200
Un. Fuel B	100
United Steel	625
Waite Amulet	100
Walk. G&W	50
Wiltsey Cog.	2,000
W'nipeg El.	850
Wright Harg.	100
Yellorex	2,500
Total	430,750

The Wawanesa Mutual Insurance Company
ORGANIZED IN

Admitted Assets... $6,784,348.81
Surplus 3,180,060.58
Dom. Govt. Deposit 2,378,615.74

Write for Financial Statement

Head Office WAWANESA Man.
Eastern Office TORONTO Ont.
Branches at Vancouver, Saskatoon, Winnipeg and Montreal

Interim Gas Rate Boost Not Enough—Union Gas Co.

Interim rate increases in natural and manufactured gas in the southwestern Ontario area served by Union Gas Co. of Canada and subsidiaries range all the way from 5.5% to 78.6%. The boost represents a 7.6% increase in the London and Windsor areas, 26.9% in Chatham, 7.3% in Sarnia. In more than 60 other municipalities the increase ranged all the way from 5.5% to 78.6%.

These are the rates the municipalities agreed on but are considerably below those sought by the producing companies. The final rate hearing will be held around the end of March. With the new rates in force the companies will experience a loss of around $98,000 a year, the company counsel stated at the rate hearing before Ontario Gas Referee R. S. Colter. This figure was disputed by counsel for the municipalities, who claimed the company should show a profit of $120,000.

Because of rapidly decreasing supplies of available natural gas in Ontario the company can now supply less than 50% of its customers' requirements with gas produced from its own wells. To supplement this it has been necessary to purchase large quantities of manufactured gas for processing, and to manufacture gas at the company's own plants. Even taking into account the gas available from all these sources the company has not sufficient supplies of gas to enable it to regain any part of the large househeating market which it was required to relinquish during the war, company spokesmen claim.

UNION GAS CO. OF CANADA AND SUBSIDIARIES

	1941 (in M.C.F.)*	1947	1948 (est.)
Volume of natural gas produced from company's own wells	6,865,400	3,536,251	2,968,640
Auxiliary gases:			
Natural gas purchased from other Ontario companies	215,602	133,859	834,040
Natural gas imported from U.S.	......	......	37,655
Reformed refinery still gas from company's Sarnia plant	......	2,236,008	2,045,455
Oil gas produced at company's Windsor plant	8,493	177,675	210,000
Propane gas produced at company's Windsor plant	......	13,366	16,000
Total auxiliary gases	224,095	2,560,908	3,143,150
Total of all gases	7,089,495	6,097,159	6,111,790
% of auxiliary gas to total volume of all gases	3.16%	42%	51.43%

*M.C.F. means thousand cubic feet.

The cost to the company of the auxiliary gases which it is now serving (refinery still gas, propane-butane gas, oil gas and purchased natural gas) is much greater than was the cost of similar volumes of the company's own natural gas available a few years ago, and these costs are continuing to rise, it is stated. In addition all other operating costs of the company such as labor, materials, municipal taxes, etc., have shown substantial increases. As a result of all these adverse factors, operations under present schedules of rates are being carried on at a substantial loss, it is stated.

Although Union Gas Co. has expended approximately $1.5 millions on facilities required to take delivery of gas from Panhandle Eastern Pipe Line Co. in the U. S., a shortage of pipe line capacity in the U. S. has so far prevented the Panhandle Co. from making the regular deliveries expected.

THE STERLING TRUSTS CORPORATION

Balance Sheet, December 31st, 1947

ASSETS

CAPITAL ACCOUNT:		
Office Premises, Safe Deposit Vault		$ 100,171.11
Real Estate held for sale		6,081.67
Mortgages and Agreements for Sale		410,545.54
Stocks		245,575.60
Bonds		201,213.96
Loans on Stocks and Bonds		21,438.15
Accounts Receivable		3,186.08
Cash on Hand and in Banks		129,974.48
		$ 1,118,186.59
GUARANTEED ACCOUNT:		
Mortgages and Agreements for Sale		2,375,526.46
Government Bonds	$721,401.82	
Municipal Bonds	120,660.93	
Corporation Bonds	208,662.50	
Interest Accrued	5,188.85	
		1,055,914.10
Stocks		345,189.07
Cash on Hand and in Banks		114,334.25
		$ 3,890,963.88
ESTATES, TRUSTS AND AGENCIES:		
Funds, Investments and Assets held		6,577,203.36
Cash on Deposit		493,965.26
		$ 7,071,168.62
		$12,080,319.09

LIABILITIES

CAPITAL ACCOUNT:	
Capital Paid Up	$ 826,100.00
Reserve Fund	200,000.00
Reserve for Taxes	14,000.00
Accounts Payable	6,409.14
Dividend Payable, January 2, 1948	20,613.23
Profit and Loss Balance	51,064.22
	$ 1,118,186.59
GUARANTEED ACCOUNT:	
Guaranteed Trust Certificates	2,743,973.80
Deposits	1,146,990.08
	$ 3,890,963.88
ESTATES, TRUSTS AND AGENCIES	7,071,168.62
	$12,080,319.09

All Stocks and Bonds shown at less than Market.

PROFIT AND LOSS ACCOUNT

Balance brought forward from 1946	$ 14,571.15
Net Profit for year	103,807.02
	$ 118,378.17
Appropriated as follows:	
Taxes	$ 23,861.68
Depreciation	2,235.12
Dividends	41,217.15
Balance carried forward	51,064.22
	$ 118,378.17

Canada to Attend Meeting On International Sea Affairs

In the days of sail, one of the most hustling nations in things maritime, Canada is again looking at world oceans.

This fact is recognized by the appointment of L. C. Audette, of the Canadian Maritime Commission, as official delegate to a meeting of the Inter-Governmental Maritime Consultative Organization (IMCO) of the United Nations, to be held in Geneva on Feb. 19.

Purpose of the meeting is to set up IMCO and consider a draft constitution for the permanent body, drawn up at meetings of the provisional body held some time ago in Washington and Paris.

This delegation to the Geneva Conference is the first official assignment to be carried out by a member of the recently-formed Maritime Commission.

"When the conference meets, that will be IMCO's birthday and from the deliberations, the future course and policy of the body will take shape," Mr. Audette told The Financial Post.

"IMCO will be a permanent maritime consultative body, representative of some 60 nations who will be sending delegates to the conference, and although nothing is certain until it has been properly constituted, I believe that its main interests will concern international agreements already in existence, questions of safety at sea, and so on.

"There will be, I should think, a permanent secretariat appointed, and the main body will meet at intervals of one, two, three or four years, or when specially called upon to do so."

Accompanying Mr. Audette to the conference will be Norman Wilson, chief of aids to navigation, Department of Transport, as alternate delegate and adviser; A. L. McCallum, of the Canadian Shipping Federation, Montreal, as senior technical adviser; J. F. Frederickson, acting secretary of the Canadian Maritime Commission, as adviser; and Miss L. Gougeon, as secretary to the delegation.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

T. G. ADAMS, to be a supervisor of branches, head office.

W. G. HENDERSON, to be assistant supervisor, attached to the supervisor's office, Winnipeg.

G. C. SPRINGER, to be manager, Malton, Ont.

N. A. SPEICHER, to be accountant, Gerrard & Woodbine, Toronto.

M. S. LEMUS, to be assistant accountant, Santiago de Cuba, Cuba.

* * *

The Bank of Montreal announces the following staff changes:

G. F. COOMBE, accountant, Broadway & Main Sts., Vancouver, to be manager, Prior & Main Sts., Vancouver.

S. A. SHEPHERD, of head office, to be manager, foreign exchange department, head office.

J. E. L. FOURNIER, accountant, Trois Rivieres, to be manager, Napierville.

A. D. JAFFREY, manager, Mount Forest, Ont., to be manager, Collingwood, Ont.

G. A. MILLER, accountant, Clinton, Ont., to be manager, Highgate, Ont.

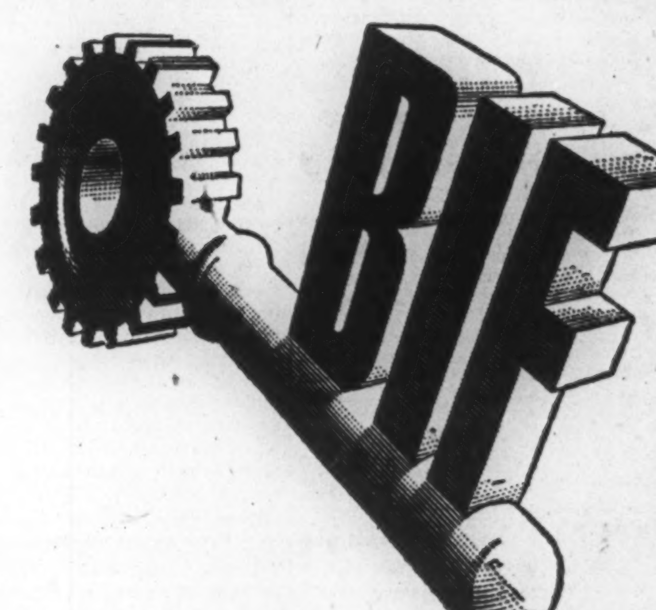
C. A. HIBBARD, of head office, to be manager, Papineau Ave. and St. Catherine St., Montreal.

R. J. GILROY, manager, Highgate, Ont., to be manager, Mount Forest, Ont.

A. N. DEXTER, accountant, Sun Life Bldg., Montreal, to be assistant manager, Drummond and St. Catherine Sts., Montreal.

LONDON and BIRMINGHAM

BRITISH INDUSTRIES FAIR



1948
MAY 3-14

ON May 3rd 1948, when the British Industries Fair opens, buyers from all over the world will have an opportunity of inspecting the products of 3,000 United Kingdom manufacturers.

This annual event is the world's largest national trade Fair. Such is its size and importance that you are urged to *come yourself*. You are assured of personal contact with actual manufacturers or sole selling agents and you will find exhibits carefully grouped by trades so that comparisons may be made quickly. Above all you will see new achievements, new methods of manufacture and new ideas all executed with superb craftsmanship.

This is your only opportunity in 1948 to review within a few days the achievements of 87 United Kingdom industries.

For information and assistance you should apply to the nearest British Trade Commissioner's Office.

A new lease on life ...

At one time the Prong-horned Antelope ranged from Alberta to Mexico in numbers comparable with those of the Bison. But over-hunting threatened the survival of the "Prong Horns" until vast sanctuaries were established for their protection in Alberta and Manitoba. In these refuges their numbers increased and they have since spread into Saskatchewan—a tribute to far-sighted conservation authorities, showing how effective conservational measures can be in preserving a species from extinction. To promote public understanding of the need for conservation, interesting authoritative literature and full-colour reprints of our wildlife pictures, without advertising, are available free by writing to The Carling Conservation Club, Waterloo, Ontario.

On the other hand, protection was not established in time to save the Cuban Tricolour Macaw from fading into oblivion. It was hunted mainly for food and became extinct around 1864.

COPYRIGHT BY CARLING'S

CARLING'S
THE CARLING BREWERIES LIMITED
WATERLOO, ONTARIO

Nature Unspoiled — YOURS TO ENJOY — YOURS TO PROTECT

DIVIDEND NOTICES

BANQUE CANADIENNE NATIONALE

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of two per cent (2%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 29th day of February, 1948. This dividend, bearing the number 228, will be payable at the Main office or at the branches of the Bank, on or after the 1st day of March, 1948, to the shareholders of record on February 14, at the close of business.

By Order of the Board,
CHARLES ST-PIERRE,
General Manager.

Eddy Paper Company Limited

NOTICE OF DIVIDEND ON CLASS A SHARES

The Board of Directors has declared a quarterly dividend of 25 cents ($.25) a share on the outstanding Class A Shares of the Company, payable March 15, 1948, to shareholders of record at the close of business on February 16, 1948. Cheques in payment will be mailed to the shareholders of record. Stock transfer books will not close.

R. F. CALDWELL,
Secretary.
Hull, Canada,
February 5, 1948.

Woods Manufacturing Company, Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share on the No Par Value Common Shares of the Company has been declared for the quarter ending March 31st, 1948, payable March 31st, 1948, to shareholders of record February 28th, 1948.

By Order of the Board.
R. E. LEWIS,
Secretary-Treasurer.
Montreal, January 29th, 1948.

CANADIAN FOOD PRODUCTS LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that the following dividends have been declared:

A dividend of $1.12½ per share on the outstanding 4½% Cumulative Convertible Redeemable Preference Shares in the Capital Stock of the Company payable on April 1, 1948, to shareholders of record at the close of business on February 27, 1948.

A dividend of .25c per share on the outstanding Class A shares in the Capital Stock of the Company payable on April 1, 1948, to shareholders of record at the close of business on February 27, 1948.

A dividend of .18¾c per share on the outstanding Common shares in the Capital Stock of the Company payable on April 1, 1948, to shareholders of record at the close of business on February 27, 1948.

By Order of the Board,
HOWARD R. DOUGLAS,
Secretary.
Toronto, Ontario,
February 5, 1948.

The Corrugated Paper Box Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of $1.25 per share on the Preferred Stock of the Company and a quarterly dividend (No. 5) of twenty-five cents ($.25) per share on the Common Stock of the Company have been declared payable March 1st, 1948, to shareholders of record at the close of business on February 12th, 1948.

Dated this 3rd day of February, 1948.

E. R. BLUETHNER,
Secretary.

DIVIDEND NOTICE

Canada Malting Co., Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share has been declared on the no par value stock of the Company, payable March 15, 1948, to Shareholders of record at the close of business on the 14th day of February, 1948.

Share Warrant Holders will present Coupon Serial No. 81 to The Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG, and CALGARY on and after March 15, 1948.

By Order of the Board.
GEORGE J. WILLIAMS,
Secretary.
Dated at Toronto, February 3, 1948.

NORMETAL MINING CORPORATION, LIMITED

INTERIM DIVIDEND NO. 3

Notice is hereby given that an Interim Dividend of Five Cents (5c) per share, payable in Canadian Funds, has been declared by the Directors of Normetal Mining Corporation, Limited, payable 31st March, 1948, to shareholders of record at the close of business on the 1st of March, 1948, subject to the regulations of the Foreign Exchange Control Board.

By Order of the Board,
W. HARRISON,
Secretary-Treasurer.
Toronto, Ontario,
4th February, 1948.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Seventy-Five Cents (75c) per share, payable in Canadian funds, has been declared by the Directors of NORANDA MINES, LIMITED, payable March 15th to shareholders of record at the close of business February 13th, 1948.

By Order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, February 4th, 1948.

Chicago Grain Crash Blow To World Wheat Pact Plan

WASHINGTON (Staff)—Canadian delegates at the International Wheat Council meetings here are reported as strongly favoring a five-year international wheat pact covering 230 million bushels of Canadian wheat. Top price for the first year at least would be $2; minimum price for the total quantity involved, would be $1.20. Outside the 230 million covered by the agreement, Canada would be free to sell at prevailing "world" prices.

What will come of this parley, under way since January 28, is still anyone's guess. For 15 years now, various nations have been meeting hopefully to get agreement on a world marketing pact for wheat. To date nothing has come of any of these discussions.

Last year at London, even though the meetings collapsed like an exploding fire-cracker at the last minute, a new and important principle was injected into the discussions. This principle, endorsed at that time by both United States and United Kingdom delegates, was simply to limit any agreement to a certain fixed bushelage. Instead of trying to tie up the entire wheat surplus of exporting countries and at the same time to put importers into an over-all strait jacket, the new approach is merely to make a series of multilateral contracts for a certain bushelage of wheat at a certain price. Beyond that amount, individual countries are free to buy or sell as they please.

Price Crash an Obstacle

Under this new plan, the amount of export wheat now involved in the Washington discussions is 500 million bushels: Australia, 85 millions; Canada 230 millions; United States, 185 millions. This latest attempt at agreement is reported, however, to have been considerably jarred by the crashing descent of grain prices at Chicago.

Some observers believe the Chicago decline may itself have been deliberately "sponsored" by one of the conference participants—United States. The new proposals for a world wheat pact as already stated, call for a $2 ceiling and a $1.20 floor. But since the United States has to support its own "parity" prices irrespective of any world pact, the nearer the Chicago price comes to a proposed world price, the more chance there is of an agreement designed to serve the the United States.

(For example, on Jan. 15, the U. S. parity price was $2.22. Since this is the support price which the U. S. Government undertakes to pay its farmers under conditions as they prevailed at that time, any parallel world commitment to sell wheat at $2 a bushel would have cost the Government 22c a bushel — and raised corresponding difficulties in trying to obtain approval of the U. S. Congress for such a deal.)

Argentine "Included Out"

Some 37 nations are represented at the discussions here. Canada has one of the largest delegations and is said to be actively promoting a five-year agreement along with Australia and United States. The Argentine is taking no part in the discussions, having excused herself at the time of the previous deliberations in London, 10 months ago.

Most important new feature in the present deliberations is the enthusiasm for a pact on the part of Great Britain. At London, it was generally conceded that the one of the main stumbling blocks was the Canada-U.K. wheat contract. At that time, Canada was selling to the United Kingdom at $1.55 a bushel. And the level of prices then proposed was for $1.80 and $1.70 (top figures) for 1947-48 and 1948-49 respectively.

It was feared last spring that if such an agreement had been concluded, Canada would have been released from her U. K. contract and the United Kingdom would have no longer been able to bind Canada under the four-year pact. The Canadian contention was based on the final and qualifying clause of the Canada-U.K. agreement, "having in mind the general purposes which this agreement is designed to serve, the two governments have agreed that its terms and conditions shall be subject to any modification or amendment which may be necessary to bring it into conformity with any international agreements or arrangements hereafter entered into, to which both Governments are parties."

Down Nearly 57c

Today, the Canada-U.K. agreement stands revised up to a $2 price for 1948-49. At the same time, the new international formula has been upped to a $2 maximum. Since the Canadian agreement has in any event, one year less to run, the prospective world agreement looks apparently more reasonable to the British — or did until Chicago prices came tumbling down by about 40c a bushel last week. (Since the January peak, prices have dropped something like 57c at Chicago.)

Here at Washington, the British are reportedly holding out for a four-year pact, or alternately asking that the minimum price drop to $1 in the fifth year. There are also differences of view as to the price ranges for individual years within the terms of the agreement, and the minimum amounts of wheat which importers would be obliged to accept under the plan. At London, last year, Great Britain, as the largest importing nation, was tentatively put down for a minimum commitment of 190 million bushels yearly.

U. S. delegates to the present gathering are admittedly worried over the reception which any plan agreed upon might have in Congress. That is why the recent drop in prices is important. The farther Chicago prices are away from the $2 maximum, the harder it would be to sell the idea on Capitol Hill.

DIVIDEND NOTICES

THE BANK OF TORONTO

DIVIDEND NO. 266

Notice is hereby given that a **Dividend of Thirty cents** per share on the Paid-Up Capital Stock of this Bank has been declared for the current quarter, payable at the Head Office of the Bank and its branches on and after the first day of March next, to shareholders of record at the close of business on February 14th, 1948.

By Order of the Board.
L. G. GILLETT,
General Manager.

Hallnor Mines, Limited

(No Personal Liability)

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Seven Cents (7c) per share, payable in Canadian funds has been declared by the Directors of Hallnor Mines, Limited (No Personal Liability) payable March 1st, 1948, to shareholders of record at the close of business February 10th, 1948.

By Order of the Board.
J. R. BRADFIELD,
Secretary.
Toronto, Ontario,
February 4th, 1948.

Auto Electric Service Company, Limited

Class "A" Shares—Dividend No. 4

Notice is hereby given that a dividend of 12½ cents per share on the Class A shares of the Company has been declared payable on and after March 15th, 1948, to shareholders of record at the close of business on February 21st, 1948.

Common Shares—Interim Dividend No. 2

Notice is hereby given that a dividend of 10 cents per share upon the No Par value Common shares of the Company has been declared payable on and after March 15th, 1948, to shareholders of record at the close of business on February 21st, 1948.

By Order of the Board,
J. A. STEPHEN,
Secretary-Treasurer.
Dated at Toronto, Ont.,
February 6th, 1948.

Silverwood Western Dairies Limited

PREFERRED DIVIDEND NO. 12

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of one dollar and twenty-five cents ($1.25) per share has been declared on the Preferred Shares of the Company, payable April 1st, 1948, to shareholders of record as at the close of business March 10th, 1948.

By Order of the Board,
L. R. GRAY,
Secretary.
London, Ontario.
February 6th, 1948.

Silverwood Dairies, Limited

CLASS "A" DIVIDEND No. 6

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of Fifteen cents (.15c) per share has been declared on the outstanding Class "A" shares of the Company, payable April 1st, 1948, to shareholders of record as at the close of business on March 10th, 1948.

CLASS "B" DIVIDEND No. 3

A Dividend of thirty cents (30c) per share has been declared on the outstanding Class "B" shares of the Company, payable April 1st, 1948, to shareholders of record March 10th, 1948.

BY ORDER OF THE BOARD
L. R. GRAY
SECRETARY
LONDON, ONTARIO.
February 6th, 1948.

Sylvanite Gold Mines, Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 70

TAKE NOTICE that a quarterly Dividend of 1½% (i.e. one and one-half cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 70.

Such Dividend will be payable April 1st, 1948, to Shareholders of record at the close of business February 14th, 1948.

In the case of Share Warrants such Dividend will be payable on or after April 1st, 1948, in respect of the shares specified therein upon presentation and delivery of Coupon No. 70 at:

The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

BY ORDER OF THE BOARD.
W. S. WALTON,
Secretary.
February 5th, 1948.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND No. 124

A dividend of 37½ cents a share has been declared on the outstanding no par value Common Stock of this Company payable Monday, March 15, 1948 to shareholders of record at the close of business on Friday, February 13th.

By Order of the Board.
A. H. STUART,
Secretary.
Walkerville, Canada,
January 14, 1948.

Canadian Western Natural Gas Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of Twenty Cents (20c) per share on the Cumulative Redeemable Preference Shares 4% Series of the par value of $20.00 each of the Company will be paid on the 1st day of March, 1948, to all shareholders of record at the close of business on the 16th day of February, 1948.

Dated at Calgary, Alberta, this 6th day of February, A.D. 1948.

By Order of the Board,
D. K. YORATH,
Secretary.

Bank of Canada Chief Discusses the Outlook

OTTAWA (Staff) — Canada's 1947 estimated national expenditure on goods and services rose $1.4 billions (12%) to a record peak of $13.1 billions, the annual report of the Bank of Canada, released here this week, reveals. Highlights in this postwar boom were cited to include:

1. A 50% increase in private capital expenditure on plant equipment and housing.

2. A 13% increase in dollar expenditure on consumer goods and services. "Consumers," said the bank, "spent a larger proportion of their income than in any year since 1939."

3. A 10% increase in "foreign expenditure" in Canada.

4. A 40% increase in imports of which 15% was represented by higher volume and the remainder by increased prices.

Governor Graham Towers states that a reduction in Canada's gold and foreign exchange reserves during 1947 has tended to obscure the fact that we still exported in that year, more goods and services in total than we imported.

"It is evidence of Canada's growing productive capacity," he adds, "that in this period of extraordinary capital development and heavy imports of capital goods we have not, by contrast with 1929 and other earlier periods of boom, had a deficit in our current transactions with the rest of the world as a whole."

Export Credits High

Mr. Towers points out that in 1947, some $560 millions of Canadian sales to other countries were financed out of drawings on Canadian export credits, and $40 millions out of Canadian relief appropriations. Thus for approximately $600 millions of our sales "we received no immediate cash return."

"At the same time," says Mr. Towers, "we had to pay cash for all our purchases from other countries and our total sales to other countries did not exceed our total purchases from them by more than a comparatively small amount; perhaps of the order of $70 millions. Consequently, we had a cash deficiency on our current transactions with other countries of some $530 millions and a drain on our foreign exchange reserves of an equivalent amount."

Looking ahead to improvement of Canada's reserve position in 1948 and the possible impact of the Marshall Aid Program, the Bank Governor comments:

"Having in mind the present level of our gold and foreign exchange holdings, and the magnitude of our trade with other countries, there is clearly need to increase these holdings. In such circumstances, we need to have an over-all balance of payments surplus greater than the value of any export sales which are financed out of the credits and for which, therefore, no immediate payment is received.

Sell More, or Buy Less

"Development of a larger balance of payments surplus involves increasing our exports, or reducing our imports, or both. In the last analysis (and apart from an improvement in average export prices relative to average import prices) these can only be achieved by increasing productivity and production, or by reducing or postponing domestic spending, particularly for nonessential capital purposes.

"Proposals with regard to a European recovery program by the United States are, of course, of great interest to Canada. Implementation of such a program would not remove the need for Canada to increase the present small current account surplus in her over-all balance of payments. We need to increase this surplus if we are to be able to build up our exchange reserves to a more normal level and extend aid to other countries even on a much smaller scale than in recent years. What a European recovery program could do, in the short run, is to facilitate continuance of Canadian shipments to western European countries where they are badly needed; and without such a program, the exchange problem of Canada, and indeed of practically all other Western Hemisphere countries, would be greatly aggravated.

"But we have an even greater interest in the long-run implications of European recovery program. When the present unusually heavy demand for goods has declined, Canadian exports and employment will be influenced to an important degree by the extent of recovery in Europe. We are therefore vitally concerned with any program which will help to strengthen the European economy and re-establish it as a substantial factor in normal international trade."

"Straining Resources"

The report draws particular attention to the manner in which "the present rate of capital development is straining Canada's manpower and material resources and is pushing up prices." It also stresses that business, which "in general entered the postwar period with unusually large liquid reserves," has been "looking increasingly to banks for financing."

It refers repeatedly to the "capital development boom" here and more particularly in the United States. Of the latter, it notes that "capital investment had risen to a vulnerably high level at the beginning of 1947 and showed signs of faltering early in the year." Subsequently, however, it rose still further, despite very high costs and totalled in value more than $30 billions, against less than $25 billions in 1946.

The report notes that prices during 1948 will "'depend to an important extent on grain crop prospects and harvest in western Europe and in the chief exporting countries." Commenting that grain tonnage in these areas dropped 12% in 1947, it adds: "any substantial improvement over the disappointing results for 1947 would have a strong anti-inflationary influence."

Comment on security markets and interest rates is very sparse. The report notes that the bank rate of 1.5% remained unchanged but that "as in previous years, the banks had little occasion to borrow from us," it notes the change in bank procedure respecting daily quotations for Dominion Government bonds and comments that "toward the end of 1947, signs of congestion appeared in the new issue market and flotations of common and preferred stocks fell to a low level."

Other highlights:

(1) During 1947, the balance of outstanding wartime deposit certificates ($461 millions at the end of 1946) was retired.

(2) The 1947 increase of $461 millions in Canadian chartered bank loans was the highest on record. More than half this expansion was for loans to merchandisers, and manufacturers. The bank estimates that loans to wholesale and retail merchandisers rose $120 millions and loans to manufacturers $160 millions.

(3) The bank published for the first time an entirely new index of money suppy and related bank assets. Also published are new figures on the ownership of Dominion Government direct and guaranteed funded debt.

What Started Grain Tumble Is U.S. Inflation Breaking?

Did the week's break in grains and commodities herald the beginning of the end of American inflation?

A lot of economists both here and in the U. S. took a long, hard look at the scene but by midweek the most confident had to admit there were still too many ifs and buts about the situation to do more than make a good guess. The biggest ifs were the Marshall Plan, the weather.

The guesses ranged from a cautious "prices will go lower yet" to "a further 20% to 25% drop in commodity prices by October" after taking due note of the fact that there had not been as prolonged a downward trend in the postwar period.

What was the over-all picture and how did it line up alongside the Canadian prices structure?

The first apparent real break came on the Chicago grain market Feb. 4. Wheat slipped the 10-cent limit to $2.85. In fact, it had been gradually slipping for two months and had not been above the $3 level during that period except for a brief two weeks in mid-January.

The following day wheat slipped another 10 cents; on the sixth another 10, and on the seventh another nine, bringing it down to $2.56 in that four days. Monday this week there was a brief rally—back to $2.61½ but by Tuesday it was down again to $2.51½, the lowest yet and at Wednesday's opening fell the limit again—to $2.41½.

There couldn't be any comparison with the Canadian picture except in the commercial (non-U. K.) export price which started out the month at $3.20 and by Tuesday this week was down to $2.75: domestic wheat was pegged at $1.58½.

Corn, Oats, Barley, Follow

The wheat slide touched off like movements in corn, oats, (at Chicago), oats, rye and barley (at Winnipeg).

Chicago May futures on corn stood at $2.70 mid-January; by midweek were down to $2.13¼. Chicago May futures on oats toppled from $1.28¼ to $1.02⅝ in the same period; at Winnipeg the drop was from 92c to 77¼, a mere 12¼c above the Sept. average under ceilings.

At Winnipeg, rye May futures which stood at a high of $4.30¼ in mid-January were down to $4.06¾ by midweek; the cash price was a little firmer—$4.11¾ Barley May futures slumped from mid-January's high of $1.55 to $1.15½ (last ceiling price was 93c) the cash price from $1.60¼ to $1.35½.

Cotton, Rubber, Next

Following the plunge in grains were other commodities traded on the New York market, cotton (which by Tuesday had fallen the limit for the first time since Oct., 1946) leading them.

From a January high of 35.91c a lb. cotton May futures by midweek had slipped to 31.93, and of this decrease 2c came in Tuesday's trading.

By midweek rubber, which had been fairly steady throughout the month, was also on the downgrade, having slipped from January's $22.7 to $20.05 per 100 lbs.

Hides also showed a spectacular drop. May futures stood at $25.50 per 100 lbs. at Tuesday's close; they had been up to $31.40 in mid-January.

Coffee, cocoa, sugar all had held a firm market; now they, also were down.

Lards, cottonseed oil, soybeans also had joined the toboggan by midweek; all dropped the limit on Tuesday's trading.

At Wednesday's opening there were further declines and cotton was down the limit again, for the second day in succession.

No sooner had these declines been noted than a dramatic effect was felt in the U. S. livestock markets. Choice hogs, which but a month ago had been selling in Chicago at $27 a hundred were now going for $21.75, the lowest in 13 months; good and choice beef cattle were down from $35 to $31.50, lambs down from $26.50 to $22.

No such effect was felt in the Canadian market. Choice hogs were still fetching $28.50 dressed weight (which would give a comparable adjusted price to the U. S. undressed price of $22.40). Beef cattle were still fetching the Jan. 5 price of $16.50, lambs were at $18.50 ($1.50 up on the price at the beginning of January).

Foods on Toboggan

And then from coast to coast U. S. retail food prices came tumbling down. Some chain stores announced reductions of 20% on such staples as bread, lard, meat, flour.

Typical price reductions were: pork off 9% to 25% according to cut; flour down from 89c per 100-lb. bag to 85c (Canadian price 55c); steaks down from 79c a lb. to 69c (Toronto price 53-59c); bacon down from 79c for sliced side to 63c to 69c (Toronto 72c to 83c); lard down from 33c to 27c (Toronto 25c).

What were the underlying causes of the break in grain and commodity prices?

Part of the answer lay in the February crop estimates. These showed: U. S. stocks at a high level; a promising European crop picture with likely supplies estimated at 85% of prewar levels; an Australian wheat crop of 215 million bushels, one of the largest on record; an equally good Argentine crop, 120 million bushels; a greatly improved outlook for U. S. winter wheat; a large Burma rice crop in prospect, which would ease the food outlook for the Orient; an offer by Romania of 40 million bushels of corn to anyone who would buy for dollars, indicating better crop prospects in the Russian sphere of influence.

How do the Washington experts view the situation?

It can all be summed up as follows:

The peak has been reached in the world cereals crisis.

The U. S. is moving from scarcity into a period of demand-supply balance if not over-supply.

Buying is now more closely adjusted to current needs.

The price movements constitute a wholesome adjustment rather than a token of collapse.

Prices may move considerably lower and the levelling period may last several weeks—at least until the spring weather signs can be read.

The upward trend on grocery prices will be checked.

Wheat will not rebound to $3 levels, and grains could go lower without hurting the farmer.

The market will strengthen consumer resistance to higher prices — they will more than ever object to paying high prices for bread, butter and flour when they know grain prices have dropped.

Purchasing agents add that semi-manufactured goods prices now show signs of flattening out and, since the turn of the year, the advance in finished products has been slowing up.

Grain Prices

Winnipeg Grain Futures

Week to Feb. 9, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close Feb. 9
		Oats			
.95½	.75	May	.89	.75	.82⅞
.95½	.72	July	.85⅛	.72	.79⅜
.82⅞	.77	Oct.	.77	.70¾	.74⅞
		Barley			
1.36⅝	1.10	May	1.28⅞	1.13	1.22
1.31¾	1.07⅛	July	1.21½	1.07⅛	1.16⅝
1.25¾	1.03¾	Oct.	1.15⅛	1.03¾	1.11
		Rye			
4.33	2.44½	May	4.28	3.94	4.07½
3.93⅛	3.10	July	3.81	3.47	3.60¼
3.05¾	2.31	Oct.	2.66½	2.31	2.49

Cash Quotations

	For Week Feb. 9 High	Low	Prev. Week High	Low
Oats				
2 C. W. ..	.96½	.86½	.97¼	.94⅝
3 C. W. ..	.93½	.83½	.94⅞	.93⅛
Barley				
1 Feed ..	1.23⅜	1.11½	1.27¼	1.23⅞
2 Feed ..	1.23⅛	1.11	1.26¾	1.23⅝
Rye				
2 C. W. .	4.31	4.01	4.31½	4.00¾

HALLET & CAREY LIMITED
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Branch Offices—Fort William, Ont., Montreal, Que.
— Vancouver, B.C.

RELIANCE
GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg

Mills at: GODERICH WINNIPEG and CALGARY

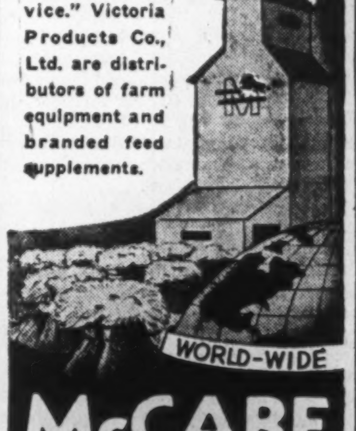
THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.

Operators of Country Elevators in Alberta and Saskatchewan
Terminal Elevators at Vancouver and Port Arthur
Offices: Calgary and Winnipeg

FEED GRAINS
BULK or SACKED
All Grain Selected from our Elevators in the Finest Growing Districts of Western Canada
National Grain Company Limited
Write or Wire to Winnipeg for Quotations
HEAD OFFICE, WINNIPEG
Terminal, Fort William

N. M. PATERSON & COMPANY LTD.
Own and Operate
Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 12,000,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.
609 Grain Exchange, Winnipeg

JAMES RICHARDSON & SONS
LIMITED
Grain Merchants Shippers and Exporters
HEAD OFFICE
WINNIPEG, MANITOBA
OFFICES THROUGHOUT CANADA

McCABE
COMPLETE WORLD-WIDE FACILITIES
Manufacturers of famous "Victoria" livestock feeds . . . specialists in forage and pea seeds . . . offering complete grain and seed handling facilities, McCabe's provide "Canada's Most Complete Farm Service." Victoria Products Co., Ltd. are distributors of farm equipment and branded feed supplements.


McCABE GRAIN CO. LTD.
FORT WILLIAM · PORT ARTHUR
WINNIPEG
ST. BONIFACE · BRANDON · REGINA
SASKATOON · EDMONTON · CALGARY
VANCOUVER · DULUTH · MINNEAPOLIS

$2,000,000,000 IN SMALL BILLS

That's the amount of money in bills and coin, handled by the readers of Maclean-Hunter Merchandising Newspapers last year. It represents millions of individual retail sales, thousands of orders for wholesalers and manufacturers.

With business like this, no wonder your dealers are clamoring for more information, more news about new products, new prices, new policies.

No wonder, too, that Maclean-Hunter Merchandising Newspapers now have 235 readers for every 100 readers in 1945. (Paid circulation is UP 50%, number of readers per copy UP 50%.)

√ And advertisers are investing more money, buying more space in Maclean - Hunter Merchandising Newspapers than ever before — to **keep their retailers informed.**

This year the Maclean-Hunter Merchandising Newspaper serving your field can tell your story, sell your product or firm, in 51 different ways. A phone call or postcard will bring a check list promptly.

TO SELL MORE TELL YOUR DEALERS MORE!

PICK THE MACLEAN-HUNTER MERCHANDISING NEWSPAPER In your field—it's the leader!

MACLEAN-HUNTER Publishing Company Limited, Toronto-Montreal (Merchandising Newspapers Division)

TOP-FLIGHT EXECUTIVES prefer our Custom Tailored Suits ONCE... ALWAYS

Lloyd Bros. 69 KING ST. WEST, TORONTO

SAVE AND BUDGET

Peace of mind depends largely on planning what you can save and saving what you plan. That's "budgeting." Open a Canada Permanent savings account. Regular deposits should be part of your plan. 2% paid on savings. Withdrawals by cheque.

CANADA PERMANENT Mortgage Corporation

Head Office: 320 Bay St., Toronto
Assets Exceed $80,000,000

Too Many Kids in Dead End Jobs?

Industry Fosters a Plan to Pep Up Career Training

The average Canadian kid is bolting school at Grade 9 — vaguely dissatisfied with a program of instruction aimed primarily at fitting him for University, where he and 97% of his colleagues won't be going.

These kids are going out and getting jobs — entering fields of industry where a shortage of skilled workers has been noticeable. Seems too bad they didn't get some of the required training before they forsook their classrooms.

Of course, in a modern society, a large portion of all workers fall, not into the skilled category, but into the "semi-skilled." But even here it's an open question whether a broad program of industrial and commercial training wouldn't serve these people better than an improved program of general education.

Look also to the rural areas. Agriculture has become much more scientific and highly specialized, yet vocational training in this field has not been developed to the same extent even as industrial and commercial training. Furthermore, at the age group 15-19, 24.7% of rural boys are in school, compared with 42.8% of urban boys.

Then look at our families. Most girls neither reach nor continue a professional career. They become housewives, and, as such, surveys show, they control the spending of 85% of family income. Isn't there a need for definite courses in consumer education—plus an extension and revision of the training given in home economics?

To Study Problem

The foregoing paragraphs constitute an indictment of Canada's present education system. It's stated rather severely. The criticism is pragmatic at best, and some educationists would reply to it thus: In a world which possesses more technical knowledge than it knows how to control and which finds its greatest problems lying in the field of human relations, there is still a need for a real understanding of the "humanities," even though the student trying to absorb them regards them as "impractical subjects" at the time.

Nevertheless, a body which enjoys the confidence of leading educational authorities sees much substance in the indictment sketched above. It wants to spend around $16,000 annually for the next three to five years to whip the problem into concrete shape.

This body, "The Canadian Research Committee on Practical Education," was born last spring, and now shares offices in Toronto with the Canadian Education Association which was largely responsible for the event. It now has a full-time research director, A. G. McColl, and the "starting point" for the committee's work can best be expressed by him. Dealing with the problem of keeping young people in class longer so that the general educational level may be raised, he says:

"This can be done if our schools—in co-operation with business, industry, and labor — can work out programs of instruction which have more meaning, greater appeal, and greater apparent value to more of the youth of high school age."

Who Has the Answers?

The problem isn't solved by stating it. The committee wants to find out precisely what is needed to adapt the work of Canadian schools to the needs of today. Many specific questions arise, and Mr. McColl is asking for the co-operation of several thousand people in getting the answers. Here are some of the questions:

Exactly how many pupils drop out at the different grade levels? What reason do they give for leaving? What type of employment do they take? What type of education were they getting in school, and are they making use of it in their new vocations? What effect has scholastic attainment on their subsequent progress?

What do businessmen, industrialists, farmers, labor unions, successful home-makers, etc., think about the adequacy of training now offered? What specific criticisms would they like to make about this training? Have they any ideas on probable schemes for offering improved training? What concrete suggestions?

What light can be cast on the problem by a study of related surveys, such as the report of the Harvard Committee on "General Education in a Free Society" and a score of others?

Mr. McColl hopes to have some of the answers in his "First Interim Report" to be submitted around year's end.

Check on 40,000

How's he going to fetch the information?

One of the first steps has been the preparation of a questionnaire seeking information on pupils withdrawing from schools. During 1948 it is expected data will be available on more than 40,000 students in this category. That represents about one quarter of all the youngsters in Canada over Grade 6 who leave school, either before they complete their courses or upon graduation. Schools have been selected on sound sampling principles, having in mind geographical location, type of community, size and type of school.

The questionnaires will be filled out by the classroom teacher, and will contain some information of a confidential nature such as an indication of the economic status of family (since this may be one of reasons for leaving school) along with other detail on the type of courses taken. Through co-operation of the provincial departments of education (deputy ministers are all members of the Canadian Education Association which is the parent body), these cards will reach the Research Committee's offices.

Analysis there promises these results:

1. Uncover precise reasons why more students do not stay longer in school. According to 1946 figures, for every 100 students enrolled in grade 7 in Canada, there were 83 in grade 8, 64 in grade 9, 44 in grade 10, 31 in grade 11, 19 in grade 12, and 5 in grade 13. Why the heavy mortality? To what extent can it be attributed to the instruction given?

2. Reveal the types of employment entered by those (a.) who have limited general education, (b.) who are high school graduates, (c.) who have had specific vocational training.

3. Indicate to what extent the employment entered is related to the training received in school.

4. Show the relative numbers who go on for further training.

5. Form the basis for follow-up studies at a later date (on the same 40,000 pupils) in which the progress of the pupils will be noted, and opinions of their employers sought as well as their own.

Executive Board Named

Before going on to the method of securing the opinions of businessmen, labor, farm groups, etc., it will serve well to peek here at the makeup of the 12-man executive board, elected Jan. 30 to handle the committee's work. Its chairman is Dr. Fletcher Peacock, director of education for New Brunswick. He played an important part in a study by the Canadian Education Association in 1942 which underscored a need of (a.) an improvement in the health of pupils, and (b) an improvement in the curricula of secondary schools. The first need is being looked into by another committee, while the second need led to the formation of the committee which Dr. Peacock heads.

Vice-chairman of this committee is Hugh Crombie of the Canadian Manufacturers' Association. Other members are L. S. Beattie, director of vocational education in Ontario; L. M. Savage, Canadian Chamber of Commerce; Dr. C. N. Crutchfield, Canadian Teachers' Federation; Col. F. T. Fairey, Deputy Minister of Education, British Columbia; B. O. Filteau, French secretary and Deputy Minister of Education, Quebec; J. E. McGuire, executive board member, Canadian Congress of Labor; Morgan Reid, Canadian Retail Federation; Gabriel Rousseau, Technical Adviser to the Department of Labor, Quebec; R. A. Stewart, Agricultural Institute of Canada and Canadian Federation of Agriculture; and J. W. Buckley, Trades and Labor Congress.

The reason for enumerating the board's membership is that it points to the liaison men through whom questionnaires will be directed to (a.) distributive business, (b.) industry, (c.) agriculture, (d.) labor, (e.) home and family living.

Survey Rural Problem

The questionnaires will vary in accordance with the needs of the different fields. The agricultural one, for example, asks whether the education in rural schools provides education which will (a.) help those seeking employment in urban centres, (b.) help girls to become good homemakers, (c.) help boys to become successful farmers. It asks to what extent boys drop out of school because of the shortage of farm labor, and seeks to evaluate the following school subjects: commercial work, agricultural science, home economics, shop work, farm mechanics, practical agriculture. It enquires about the wisdom of operating farms in connection with rural schools.

The farm questionnaire is being sent to approximately 2,000 "leaders in rural communities," as selected by farm forum groups.

Similarly, the questionnaires sent to industrialists and to labor unions probe the present system of apprenticeship, the vocational training now given in schools, the advisability of introducing schemes whereby students attend school part-time and get practical on-the-job training part time.

The job of amassing and correlating all these opinions and suggestions is a formidable one. The central board is counting heavily on the co-operation regional committees set up in each of the nine provinces. Their makeup resembles that of the central board.

Chairmen of the provincial committees are M. McKenzie, chief supervisor of schools, Prince Edward Island; E. K. Ford, director of vocational training, Nova Scotia; W. K. Tibert, director of vocational training for New Brunswick; W. Stansfield, president of Canadian Industrial Trainers' Association (chairman of Montreal group); B. O. Filteau, Deputy Minister of Education for Quebec (chairman of Quebec group); H. R. Beattie, director of guidance for Ontario; R. J. Johns, director of technical education for Manitoba; J. W. Tait, director of teacher training, Saskatchewan; A. P. Tingley, supervisor of industrial arts, Alberta; and H. A. Jones, director of technical education, British Columbia.

Wide Support Pledged

The extent of organization required and the amount of voluntary work undertaken brings up a ticklish point. What about the $16,500 budget for 1948, going mainly for salaries and other office expenses, but also taking care of printing, travelling, administration, and miscellaneous contingencies?

On this point, F. K. Stewart, secretary-treasurer, says:

"Provincial departments of education and educationists generally are putting a great deal of work into this project—opening their books to industry and labor—on the assumption that industry and labor are going to finance it in amounts greater than has been so far apparent."

His financial report shows contributions of $7,710 in 1947. Expenditures were only $4,979.58 (the project didn't really gain momentum until after the appointment of a full-time research director last August). This leaves a carryover of $2,730.42 into 1948 to meet a budget of $16,500. Between Jan. 1 and Jan.26, $200 had been contributed. Another $13,569.58 must be raised during the year if the 1948 budget is to balance.

Contributors to the budget (also up to Jan. 26) have included Canadian Bankers' Association, Canadian Chamber of Commerce, Canadian Congress of Labor (via eight affiliated unions); Canadian Construction Association, Canadian Education Association, Canadian Electrical Association, Canadian Federation of Home and School, Canadian Industries Limited, Canadian International Paper Company, Canadian Manufacturers' Association, Canadian Retail Federation, Canadian Teachers' Federation, Consolidated Paper Company, Dominion Brewers Association, Imperial Oil Limited, Investment Dealers Association, La Corporation Generale des Instituteurs et Institutrices de la Province de Quebec, Ontario Paper Company Ltd., the Railway Association of Canada, and the Southam Co.

Matachewan Profit Up In Last Quarter 1947

Estimated net profits of Matachewan Consolidated Mines, before write-offs, amounted to $57,567, or 1.7 cents a share in final quarter of 1947 ($38,353, or 1.1 cents a share in 1946 period).

Net income from bullion production was $236,423 from 59,774 tons of ore milled in December quarter ($211,374 from 59,740 tons in December, 1946, quarter).

Insurance Sales Set New Record

Canadians and Newfoundlanders in 1947 purchased a record amount of new ordinary life insurance, over $1.2 billions, the Canadian Life Insurance Officers Association reports.

During the 12 months, industrial insurance put in force in Canada alone, totalled $162.8 millions and new group insurance $95.9 millions. Sales for December and for 1947 by months and provinces follow.

Sales of New Ordinary Life Insurance In Canada and Newfoundland (000 of $)

Sales of December

	1947	1946
British Columbia	9,337	8,086
Alberta	6,486	5,499
Saskatchewan	3,680	4,061
Manitoba	5,280	5,353
Ontario	43,705	42,194
Quebec	25,262	24,458
New Brunswick	2,623	2,884
Nova Scotia	3,610	3,921
Prince Edward Island	573	516
Newfoundland	523	685
Total for Canada and Newfoundland	101,081	97,677

Sales by Months (000 of $)

	1947	1946
Jan.	101,411	83,572
Feb.	100,241	88,225
Mar.	104,063	102,748
Apr.	103,391	104,949
May	106,237	105,535
June	103,605	104,839
July	97,443	106,880
Aug.	82,111	86,050
Sept.	86,356	90,682
Oct.	102,690	105,734
Nov.	112,819	110,510
Dec.	101,081	97,677
	1,203,468	1,186,392

Sales by Provinces

	1947
Alberta	$75,124,000
British Columbia	103,104,000
Manitoba	69,657,000
New Brunswick	32,639,000
Nova Scotia	42,227,000
Ontario	501,870,000
Prince Edward Island	5,210,000
Quebec	320,272,000
Saskatchewan	45,358,000
Newfoundland	8,917,000

Fur Prices Soar In Saskatchewan

From Our Own Correspondent

REGINA—First 1948 fur sale by the Government's Fur Marketing Service resulted in more than $130,000 worth of pelts being sold. Prices on all types of wild fur and short-haired fur were up 40% to 50% over a year ago.

Demand was strong for ermine, squirrel, wild mink, fisher, muskrat and otter. Wild mink fetched top prices of $63; fisher, $73; otter, $49.50; marten, $45; ermine, double extra large western types, $3.30.

Improved demand for long-haired fur indicates a possible improvement in prices soon, Adam J. Cooke, manager, said.

Have us "RUN INTERFERENCE" for you

Do you work in a specialized field somewhat removed from general business affairs? If so, our Management Service should prove invaluable.

Just being free to give undivided attention to your professional duties will be worth more to you than our charges. Even more important, your investment and property management problems will receive the full-time attention of men fully qualified to act on your behalf. Costly oversights will be avoided; assets will be carefully safeguarded.

Telephone for an appointment to discuss the details. No obligation is involved.

Capital, Reserve and Surplus in excess of $6,000,000

MONTREAL TRUST *Company*

Head Office: 511 Place d'Armes, Montreal

HALIFAX • TORONTO • WINNIPEG • EDMONTON
VANCOUVER • VICTORIA • CHARLOTTETOWN
ST. JOHN'S, NFLD. • LONDON, ENG. • NASSAU, B.W.I.

Sun Life of Canada

SEVENTY-SEVENTH YEAR OF SERVICE TO THE PUBLIC

SEVERAL new all-time records are contained in the 1947 Annual Report of the Sun Life Assurance Company of Canada—the 77th year of Canada's largest life assurance company. $101,914,657 was paid to policyholders and beneficiaries during the year, bringing total payments since the first Sun Life policy was issued to $2,021,889,123. New assurances secured over the twelve month period amounted to $380,659,514 while total business now in force stands at $3,837,724,159. Other significant figures reveal an increase of $78 million in the assets of the Company which now amount to $1,421,982,912.

FINANCIAL STATEMENT AS AT DECEMBER 31, [illegible]

ASSETS

Government, municipal, public utility and other bonds	$1,100,205,232.50
Preferred and guaranteed stocks	37,104,550.07
Common stocks	69,098,337.82
Loans on real estate, first mortgage	88,767,334.53
Real estate (including Company's buildings)	16,205,744.20
Loans on Company's policies	56,601,274.28
Outstanding and deferred premiums	20,612,693.00
Interest and rents due and accrued	10,551,692.88
Cash	20,365,146.51
Other assets	2,470,906.81
	$1,421,982,912.60

LIABILITIES

Reserves on assurances	$876,551,889.00	
Reserves on annuities	248,075,499.00	
		$1,124,627,388.00
Policy proceeds and other amounts left with the Company at interest		134,983,237.80
Amounts set aside for Company retirement plans		22,634,705.04
Death claims reported for which proofs had not been received prior to December 31st		11,859,331.35
Provision for unreported claims		4,363,053.00
Matured endowments, annuity and dividend payments awaiting discharge		9,482,883.02
Miscellaneous liabilities		4,929,865.17
Commissions, medical fees, taxes, etc., due and accrued		6,316,200.24
Dividends contingently alloted to deferred and five-year dividend policies		2,272,608.82
Dividends payable to policyholders during balance of dividend year		4,623,044.80
Miscellaneous reserves		1,922,540.00
Shareholders' account		2,559,509.26
Capital	$ 2,000,000.00	
Contingency reserve	15,000,000.00	
Surplus	74,408,545.80	
		91,408,545.80
		$1,421,982,912.60

SUN LIFE ASSURANCE COMPANY OF CANADA

Leader in world-wide life assurance, the Sun Life of Canada gives unequalled service to its 1,500,000 policyholders from offices situated in strategic key centres around the globe. IN CANADA: 25 branches . . . IN THE UNITED STATES: 39 branches . . . IN THE BRITISH ISLES: 24 branches . . . IN LATIN AMERICA: Buenos Aires, Havana, San Juan . . . IN INDIA AND CEYLON: Bombay, Calcutta, Madras, Colombo . . . IN SOUTH AFRICA: Cape Town, Durban, Johannesburg . . . IN: Cairo, Hong Kong, Malta, Manila, Singapore, and the West Indies.

WE CAN SUPPLY . . .

- WHEAT STARCH
- WHEAT GLUTENS
- WHEAT DEXTRINES
- PAPER MILL STARCHES
- TEXTILE SIZINGS
- GUMS and ADHESIVES
- PASTES
- VEGETABLE GLUES
- MEAT BINDERS
- COREBINDERS

CANADIAN STARCH FROM CANADIAN WHEAT FOR CANADIAN INDUSTRY!

Skilled technicians at your service

WRITE TO-DAY FOR COMPLETE INFORMATION

"INGRAINED WITH QUALITY" INGRAIN PRODUCTS ARE MANUFACTURED FROM CANADIAN WHEAT BY Industrial Grain Products LIMITED

INGRAIN TRADE MARK

HEAD OFFICE - 741 TALBOT ST., LONDON, CANADA
MONTREAL - FORT WILLIAM - WINNIPEG

Position of Chartered Banks of Canada as of December 31, 1947, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada Secured	Demand Deposits in Canada	Savings Deposits in Canada	Deposits in Canada in currencies other than Canadian	Deposits Elsewhere	Bal. due to other Banks in Canada	Due to banks in U.K.	Due to Banks Elsewhere	Letters of Credit outstanding
	$	$	$	$								
Montreal	4,678,843	96,574,219	24,519,180	....	601,402,412	898,728,687	10,702,536	142,337,653	3,347,340	12,044,977	27,007,970	25,748,642
Nova Scotia	1,671,463	26,527,204	1,442,119	....	178,027,486	318,435,192	4,997,026	107,002,016	6,515,061	1,481,979	3,751,116	32,481,222
Toronto	664,201	12,597,612	1,664,009	....	119,522,916	225,678,024	1,136,409	....	415,047	3,681,480	1,574,246	9,506,326
Provincial	348,658	3,749,203	566,534	....	59,631,532	104,075,116	176,178	....	7,800	....	65,788	370,682
Commerce	3,823,130	36,185,302	27,839,985	....	427,928,867	709,193,420	6,193,731	101,759,166	4,848,758	6,208,459	11,007,246	42,036,755
Royal	4,704,654	48,115,099	19,339,468	....	592,354,306	806,245,220	42,510,811	577,151,296	6,506	7,048,590	50,233,450	47,776,754
Dominion	676,609	13,450,476	1,838,332	....	121,121,752	182,888,787	9,509,095	9,283,781	2,613,255	867,184	1,939,893	12,052,233
Nationale	678,977	9,835,849	2,613,214	....	59,976,746	164,671,891	828,949	....	5,924,991	57,136	1,575,107	1,861,684
Imperial	870,422	11,722,101	13,675,875	....	128,212,076	221,963,269	1,467,224	....	3,975,960	2,864,839	2,574,274	7,087,649
Barclays (Canada)	85,495	3,447,984	29,018	....	7,204,826	7,562,800	8,174,581	....	466,306	4,798,382	2,215,262	2,347,631
Total	18,202,477	262,204,599	113,548,329	....	2,295,584,919	3,740,441,586	86,690,500	737,540,012	29,121,024	39,053,026	101,944,082	201,219,528

NAME OF BANK	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are partners	Greatest Amount of Notes in Circ.	Bills rediscounted with Bank of Canada
			$	$	$		$	%			
Montreal	574,110	751,624	44,000,000	36,000,000	1,934,417,569	50,000,000	36,000,000	8*	676,909	4,720,318	....
Nova Scotia	921,069	615,520	24,000,000	12,000,000	719,874,667	15,000,000	12,000,000	12*	1,727,678	1,695,735	....
Toronto	28,384	5,978	14,000,000	6,000,000	396,769,616	10,000,000	6,000,000	12	411,553	668,196	....
Provincial	20,753	49,639	2,000,000	4,000,000	144,961,912	5,000,000	4,000,000	7	20,375	[illegible]	....
Commerce	465,980	1,223,166	30,000,000	30,000,000	1,438,712,974	50,000,000	30,000,000	8	764,354	7,861,134	....
Royal	1,052,361	95,765	40,000,000	35,000,000	2,103,654,255	50,000,000	35,000,000	10	1,290,655	4,759,492	....
Dominion	142,849	177,048	10,000,000	7,000,000	375,561,006	10,000,000	7,000,000	10	127,209	687,084	....
Nationale	38,571	17,448	7,000,000	7,000,000	392,080,620	10,000,000	7,000,000	8	182,795	685,922	....
Imperial	86,638	177,480	10,000,000	7,000,000	421,628,821	10,000,000	7,000,000	10	587,866	876,702	....
Barclays (Canada)	19,426	....	750,000	1,500,000	33,601,311	1,500,000	1,500,000	....	....	86,905	....
Total	5,350,101	3,113,668	181,750,000	145,500,000	7,961,263,975	211,500,000	145,500,000	....	7,759,394	18,394,566	....

†And loans for which they are guarantors.

*Plus extra distribution of 20 cents per share

ASSETS

NAME OF BANK	Gold and Subsidiary Coin held in Canada	Gold and Subsidiary Coin held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes and Cheques on Other Banks	Govt. and Bank Notes other than Canadian	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Dom. Gov. Short Term Sec.	Dom. Gov. Long Term Sec.	Prov. Gov. Short Term Sec.	Prov. Gov. Long Term Sec.	Canadian municipal securities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	2,183,926	57,729	41,580,775	148,809,376	97,483,454	1,489,275	433	5,959,852	35,761,491	137,649,574	574,661,413	41,879,984	109,758,919	31,773,201
Nova Scotia	867,821	1,165,173	17,351,183	35,505,185	28,537,951	25,458,370	....	1,313,282	15,871,340	78,633,295	147,536,717	4,845,515	15,131,911	7,190,173
Toronto	614,162	....	8,968,698	34,618,000	17,918,985	468,365	....	1,686,262	5,332,699	39,029,030	112,188,117	2,735,130	16,621,273	6,537,722
Provincial	608,660	....	4,746,556	10,589,040	6,940,077	138,002	771	2,805	1,701,313	19,670,960	21,393,385	2,065,084	21,666,508	6,200,908
Commerce†	1,660,488	156,810	32,065,142	108,844,827	44,732,674	2,333,421	109,045	2,211,633	30,756,324	74,229,414	473,640,416	17,791,768	53,314,307	21,545,097
Royal‡	2,463,902	1,904,274	44,584,346	111,577,795	101,281,596	91,704,682	33,203	14,609,497	53,549,195	137,371,753	453,806,904	29,214,246	83,580,997	32,059,960
Dominion	594,764	345	7,118,943	37,383,746	19,877,109	317,780	....	991,957	8,958,662	51,259,315	74,610,792	641,724	4,871,784	5,315,732
Nationale	1,162,159	....	14,911,564	24,262,207	21,987,643	435,459	1,387,819	90,441	2,265,957	42,111,555	57,908,608	6,269,196	41,165,138	15,244,946
Imperial	759,239	....	12,332,748	22,559,161	22,077,890	587,060	749,697	647,775	6,796,839	35,969,657	108,200,068	2,755,687	5,708,896	6,422,169
Barclays (Can.)	4,189	....	230,632	2,260,269	686,814	10366	133,658	915,066	1,667,637	4,601,472	3,752,014	1,977,973	5,749,364	1,000,860
Total	10,924,210	3,284,331	183,910,587	536,159,606	361,524,193	123,942,780	2,414,626	28,428,570	162,661,457	620,526,025	2,027,698,434	110,176,807	357,569,097	133,291,677

NAME OF BANK	Public Securities other than Canadian	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	¤Real estate other than Bank premises	Bank Premises	Deposit of note circulation	Other assets	∆Total Assets
	$	$	$	$	$	$	$	$						
Montreal*	68,153,615	102,382,592	11,828,134	16,181,918	412,307,305	31,019,813	10,399,090	10,100,481	416,110	371,509	13,874,282	172,138	3,380,526	1,935,497,140
Nova Scotia	13,804,930	25,573,157	12,431,812	9,690,210	191,619,516	37,631,596	6,860,459	2,382,438	55,348	10,568	6,360,657	107,553	2,464,710	721,885,634
Toronto	....	16,844,871	7,157,155	....	109,287,993	....	2,488,783	1,041,935	22,047	8,975	4,141,128	37,202	257,794	397,535,584
Provincial	....	4,677,220	7,947,675	....	31,048,618	....	17,425	2,644,148	101,444	189,575	1,570,104	12,151	128,252	145,310,049
Commerce†	58,622,355	39,394,907	21,378,315	3,706,807	341,294,229	36,967,652	9,849,850	4,365,534	295,315	403,330	13,312,250	250,000	4,467,793	1,441,274,664
Royal‡	123,437,348	133,044,880	30,282,997	20,654,105	420,426,917	124,859,229	5,543,818	5,304,255	176,754	371,081	10,753,519	285,000	6,369,752	2,107,128,832
Dominion	3,256,472	7,885,320	3,570,893	5,593,854	118,401,294	3,319,773	1,779,454	2,377,182	14,438	28,706	5,525,598	40,393	405,138	376,193,414
Nationale	604,108	12,365,023	3,921,118	....	129,517,068	....	....	8,838,400	15,246	451,763	5,302,421	39,901	412,863	392,338,250
Imperial	....	11,536,683	6,022,028	....	163,951,130	....	189,835	2,586,171	39,477	....	6,062,158	49,704	68,757	422,910,487
Barclays (Can.)	2,996,630	250,000	460,550	....	3,517,707	....	....	....	344	....	1,192,707	5,538	13,022	33,714,460
Total	270,876,458	353,854,663	104,940,587	55,826,984	1,921,301,904	233,798,063	37,128,514	40,640,644	1,159,023	1,835,657	70,101,454	1,109,610	17,480,607	7,073,985,714

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

¤Includes mortgages.

∆Includes $201,219,528 letters of credit outstanding as shown in liabilities.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris and the assets and liabilities of The Royal Bank of Canada (France) are included in the above general statement.—Footnote to The Royal Bank of Canada Return.

THIS WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by [illegible] The Financial Post cannot accept any responsibility for these quotations.

Mining Stocks

Week Ended February 6

Oil Stocks

* N. Y. Funds. ‡ Extra
‡ Paid in 1946. ‡ Capital Repayment. ‡ Dividend deferred.
§ Paid in 1947. † Paid or payable in 1948.

Unlisted Mines

Approximate quotations, 3 p.m., Feb. 9, subject to confirmation.

Unlisted Stocks

(Compiled from quotations supplied by Intercity Securities Corp., Kamm, Garland & Co. and Kippen & Co.)

Feb. 9, 1948

	Bid	Ask.		Bid	Ask.
Allens Toronto units	40.00	....	Hartz, J. F. A	10.50	12.00
Anglo Amer. Timber	....	1.25	Imperial Life	350.00	380.00
Anglo Can. Telephone A	9.75	10.75	Interprovincial Brick A pf	70.00	....
Do. pfd.	47.00	49.00	Do. B pfd.	28.00	....
Beauharnois L. H. & Pwr.	10.00	11.00	Lambton Loan $50 par	83.00	....
Brandram Henderson	14.00	....	Laprairie com.	7.00	9.00
British Mtge. & Trust	185.00	....	Do. pfd.	95.00	....
B. C. Sugar	89.00	92.00	Loblaw Groc. Inc.	18.75	19.75
Brockville Trust $50 par	60.00	....	Manufacturers Life Ins.	340.00	380.00
Can. Inv. Fund	4.40	4.70	Maxson Food System	.50	....
Can. Investors Corp.	7.00	7.75	Monarch Life 30% paid	93.00	....
Canadian Motor Lamp	9.75	10.75	Monarch Mtge. units	4.50	....
Candn. Silk Prods. A	24.00	25.50	Montreal Trust Co.	91.00	....
Can. West. Nat. Gas pfd.	19.00	20.00	Mountainview Apts. pfd.	18.00	....
Capital Wire Cloth com.	11.00	....	Nat. Drug & Chem. c. new	6.75	7.75
Do. pfd.	23.00	....	Do., pfd.	10.75	11.75
Cardy Corp. A	8.50	10.00	New Brunswick Telephone	12.75	13.75
Cawthra Apts. units	6.25	....	New Method Laundry un.	110.00	....
Chase A. W. units	44.00	....	Northern Tel. com.	1.75	2.25
Colonial Steamships com.	79.00	....	Ont. & Que. Ry. 6% cap stk	145.00	....
Commercial Life 10% paid	8.00	....	Paramount Kitchener un.	60.00	....
Commonwealth Inter. Corp.	3.34	3.67	Peller Brewing com.	....	8.00
Confed. Life Assoc. 30% pd	135.00	....	Do. pfd.	....	24.00
Continental Life 20% pd.	42.00	....	Provincial Bank of Canada	16.00	16.75
Cooksville A	10.50	11.50	Prudential Trust	10.50	....
Do. B	4.50	5.50	Royal Trust Co.	101.00	....
Corp. Inv.	8.25	9.25	Sawyer Massey com.	1.50	....
Cuban Can. Sugar com.	4.50	6.00	Seiberling Rubber com.	7.50	....
Detroit Internat. Bridge	11.00	13.00	Sincennes McNaugh. Tugs	2.50	....
Dover Industries Ltd.	11.00	12.00	Sherbrooke Trust	140.00	....
Dunlop Tire pfd.	24.50	26.00	Sovereign Life 25% paid	38.00	39.00
Dupuis Freres pfd.	26.00	27.00	Standard Fuel pfd.	46.00	48.50
Empire Life Ins. 25% pd.	17.00	19.00	Do. com.	3.00	5.00
Do. 20% paid	14.50	....	Sun Life Assce.	460.00	475.00
Fed. Found. & Steel com.	.60	1.00	Third Can. Gen. Inv.	3.00	[illegible]
Foreign Power Co.	6.00	8.00	Toronto General Ins.	6.00	[illegible]
Foreign Power Sec. pfd.	5.00	6.00	United Farmers Co-op.	2.50	[illegible]
Galt Brass com.	34.00	....	United Steel A pfd.	24.50	26.00
Goderich Elev. & Trans.	15.50	16.50	Victoria Trust & Svgs.	132.50	....
Great West Life	350.00	380.00	Vulcan Mold & Iron	3.25	4.00
Guardian Realty pfd.	44.00	....	Waterloo Manufacturing c.	5.00	6.50
Guaranty Co. of N. A.	390.00	....	Western Assurance com.	67.00	69.00
Guelph & Ont. Svgs. $50 p.	61.00	....	Western Grain com.	....	1.90
Gurney Foundry pfd.	20.00	....	Do. pfd.	18.50	21.00
Halifax Ins.	15.00	16.50	York Trading com.	12.00	....
Hart Battery com.	7.50	....			

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	8	4	4	9	13	8	16	14	8	13	100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	128.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1947: Monthly Figures:												
Jan.	179.9	253.7	124.9	63.0	182.9	124.0	303.5	124.0	108.1	133.1	117.7	106.2
Feb.	184.9	264.3	125.3	68.6	190.6	129.3	302.5	145.3	110.4	133.4	121.8	109.4
Mar.	180.5	257.6	123.1	65.8	185.9	129.3	291.9	140.2	112.6	130.6	120.1	106.4
Apr.	180.9	242.3	122.8	64.4	180.1	128.6	281.6	136.8	110.3	130.1	117.7	104.8
May	180.3	234.7	120.2	66.9	177.0	127.5	279.5	136.4	109.2	130.7	115.6	104.4
June	177.1	244.5	119.7	67.9	178.0	126.7	289.3	135.8	110.5	129.2	116.7	105.3
July	183.4	261.0	119.3	68.8	179.7	127.3	307.2	136.6	110.6	129.0	120.2	107.4
Aug.	182.1	255.4	117.8	66.6	178.8	126.9	303.1	135.0	108.8	129.4	117.1	105.5
Sept.	178.7	258.6	117.2	64.2	176.2	124.4	304.0	132.9	109.8	128.6	116.9	104.1
Oct.	185.4	275.4	118.1	63.5	180.3	121.7	320.0	133.9	108.9	126.8	117.0	105.5
Nov.	188.0	281.9	119.0	65.1	191.1	121.1	324.0	138.2	107.0	135.0	114.7	107.2
Dec.	190.2	271.4	116.2	65.8	188.6	121.8	321.0	136.1	102.6	137.6	112.1	106.2
1948: Weekly Figures:												
Jan. 2	192.7	271.2	115.5	70.6	186.8	121.9	320.8	136.9	100.6	133.9	114.2	108.9
Jan. 8	193.7	264.8	114.3	72.9	187.4	122.2	320.7	135.8	99.7	132.9	112.5	108.7
Jan. 15	189.6	258.2	116.3	72.0	192.9	117.4	315.2	132.2	102.8	132.9	113.5	108.3
Jan. 22	186.1	246.0	111.8	68.8	188.0	111.1	295.7	128.4	101.7	130.6	111.7	104.9
Jan. 29	187.3	253.6	110.9	68.4	186.8	115.8	308.8	129.3	102.5	132.3	111.6	105.9
Feb. 5	183.5	248.3	109.0	66.6	187.3	113.9	303.3	126.1	99.6	130.9	111.6	104.3

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Dow Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks		30 Indust.	20 Rails	15 Util.	65 Stocks
Feb. 9	169.82	50.13	32.25	61.57	Feb. 3	173.96	51.20	32.63	62.91
Feb. 7	169.79	50.05	32.21	61.52	Month ago	179.33	52.44	33.61	64.75
Feb. 6	168.81	49.51	32.14	61.14	Year ago	183.57	52.55	37.32	66.57
Feb. 5	169.18	49.35	32.17	61.18	1947-48 high	186.85	53.85	37.55	67.10
Feb. 4	170.95	49.87	32.43	61.80	1947-48 low	163.21	41.16	32.28	57.33

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Feb. 9	161.51	98.40	86.14	32.21
Feb. 7	161.96	98.09	86.45	32.27
Feb. 6	162.02	98.12	86.83	32.67
Feb. 5	163.69	98.17	87.64	33.09
Feb. 4	164.95	99.69	88.35	33.73
Feb. 3	166.72	100.81	88.59	34.40
Month ago	171.74	103.62	90.55	36.32
Year ago	183.25	114.35	96.14	27.54
1947-48 high	184.21	120.26	96.14	37.77
1947-48 low	159.82	95.97	77.91	22.28

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Feb. 9	72.8	115.5	101.3	318.53	70.88
Feb. 7	72.5	116.1	101.5	320.14	71.05
Feb. 6	72.7	116.6	101.9	316.66	71.05
Feb. 5	73.2	117.2	102.6	320.33	71.63
Feb. 4	73.4	118.8	103.6	325.46	71.56
Feb. 3	73.3	119.1	103.8	329.31	71.66
Month ago	74.3	125.1	108.1	362.65	73.21
Year ago	77.3	129.3	112.0	361.92	78.47
'47 '48 high	78.8	130.0	112.5	395.50	83.63
'47-'48 low	72.5	115.5	101.3	287.28	67.20

Volume of Stock Sales

	Montreal	Toronto	Vancouver	New York
Feb. 9	120,000	688,000	......	820,000
Feb. 7	53,500	333,000	......	390,000
Feb. 6	179,700	860,000	62,597	1,110,000
Feb. 5	152,600	968,000	41,901	1,440,000
Feb. 4	296,300	1,840,000	40,035	1,480,000
Feb. 3	180,000	1,457,000	70,832	1,020,000

STOCKS NOT TRADED THIS WEEK

Stocks Not Traded This Week (Continued)

Mining Stocks

OIL STOCKS

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Feb. 10, 1948

%	Due	Bid	Ask
Victory Loans:			
3	June 1951	103⅞	104¼
3	Mar. 1954	104⅞	105¼
3	Nov. 1956	103⅞	104¼
3	May 1957	102⅞	103¼
3	Jan. 1959	101⅞	102⅞
3	June 1960	101½	102¼
3	Feb. 1962	101½	102¼
1½	Nov. 1950	100¼	101¼
3	Oct. 1963	101½	102¼
3	Sept. 1966	101½	102¼
1½	Nov. 1949	100½	101⅛
1½	Nov. 1948	100¼	101
Dom. of Canada Bonds:			
3½	Nov. 1951	101½	102¼
3½	Feb. 1952	103⅞	104¼
3	Oct. 1952	102¼	103
3	June 1955	102⅞	103¼
3	June 1958	102¼	103¼
4½	Nov. 1959	104⅞	105¼
3½	June 1966	103	104
3	Perpetual	100	101
4½	Nov. 1958	102¼	102⅞
Dom. Guarant'd Bonds Can. Nat. Railways:			
3	Jan. 1959	101¼	102⅞
4½	Sept. 1951	*106½	*108
4½	Feb. 1956	*110½	*112
4½	July 1957	*111½	*113
4⅞	June 1955	*111⅞	*113¼
5	Feb. 1954	113¼	114⅞
5	Feb. 1970	*108¼	*110¼
5	Oct. 1969	*108½	*110

%	Due	Bid	Ask
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	*111½	*113
Grand Trunk Pacific Rly.:			
3	Jan. 1962	*98½	*100½
4	Jan. 1962	*109	*111
Montreal Harbour Com.:			
5	Nov. 1969	*108½	*110½
Provincial Govt. Bonds			
New Brunswick:			
3½	June 1956	100½	102⅞
4½	Apr. 1961	115½	118½
5	Jan. 1960	118½	121
2¾	June 1966	92⅞	94½
Nova Scotia:			
3	Jan. 1952	101⅞	103¼
3½	June 1956	103	104½
3½	Nov. 1950	102⅞	104¼
4½	Nov. 1960	121	124
5	Mar. 1960	123½	126
3	June 1958	100⅞	102¼
Ontario:			
3½	Nov. 1951	101½	103
3½	May 1955	103¼	104⅞
4	June 1962	120	122½
4½	June 1950	104⅞	106½
4½	Jan. 1962	125½	128
5	Oct. 1948	101½	102½
5	Dec. 1960	128⅞	131⅞
2¾	July 1976	95½	97½
Ont. Hydro Commission:			
3½	Feb. 1953	101⅞	103
4	Aug. 1957	115	118
2¾	June 1971	95½	96½
Prince Edward Island:			
4	Mar. 1954	102	104

%	Due	Bid	Ask
Quebec:			
3½	Mar. 1959	102⅞	104¼
3⅞	Feb. 1955	104½	106
4½	Aug. 1958	109½	111⅞
4½	Jan. 1963	114	116
3	Feb. 1962	100	101½
4	Nov. 1952	104½	105⅞
Alberta:			
3½	June 1964	99	101
3½	June 1959	102½	104⅞
3½	June 1972	100	102
British Columbia:			
4	Dec. 1957	112½	116
4½	Jan. 1951	103¼	105⅞
4½	Oct. 1953	114½	117½
5	Apr. 1954	117½	120½
2¾	Apr. 1966	96	98
5	Sept. 1953	110	112½
Manitoba:			
4	Dec. 1957	113	116½
4½	Dec. 1956	117½	121
5	Dec. 1959	122½	125½
5½	Oct. 1955	115	118
Saskatchewan:			
4	Sept. 1954	99	101½
4	Nov. 1960	99	102
4½	Oct. 1951	107½	110
5	Aug. 1958	105½	108½
4½	Mar. 1960	104½	107½
5	Dec. 1959	108	111
5½	Oct. 1952	105½	108½
6	Mar. 1952	106½	108½

*N. Y. funds.

Dividends Declared

	This payment $	Date payable	Date of record
Acadia Atlantic A..	.25	Apr. 1	Mar. 10
Do. pfd.	1.25	Mar. 15	Feb. 20
Agnew-Surp. Shoe	.12	Mar. 1	Jan. 30
Aluminium Ltd.	2.00	Mar. 5	Feb. 6
Aluminum Co. 4% p.	.25	Mar. 1	Feb. 4
Anglo-Can. Tel. A	.15	Mar. 1	Feb. 10
Argus Corp.	.15	Mar. 1	Jan. 31
Do. 4½% pfd.	1.12½	Mar. 1	Jan. 31
Aunor Gold	.05	Mar. 1	Feb. 10
Bank of Montreal	.20	Mar. 1	Jan. 31
Bank of Toronto	.30	Mar. 1	Feb. 14
Banque Candn. Nat.	.20	Mar. 1	Feb. 14
Barber-Ellis	.25+.12½	Mar. 15	Feb. 28
Beaver Lumber, A	.25	Apr. 1	Mar. 10
Do., pfd.	.35	Apr. 1	Mar. 10
Belleterre Que.	.10	Mar. 15	Feb. 16
J. Bertram & Sons A	.25	Feb. 16	Jan. 31
Do. B	.05	Feb. 16	Jan. 31
Borden Co.	†.60	Mar. 1	Feb. 11
Bowes Co., A	.12½	Feb. 14	Jan. 31
B. C. Packers, A	.37½	Mar. 15	Feb. 28
Do. B	.13	Mar. 15	Feb. 28
Bath'st Pr. & Pa. A	.37½	Mar. 1	Feb. 3
Bruck Silk Mills	.30	Mar. 15	Feb. 16
Burns & Co., A	.25	Apr. 24	Apr. 7
Do.	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Do., Cl. B	.25	Apr. 24	Apr. 7
Do.	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Canada Cement pfd.	.32½	Mar. 20	Feb. 20
Can. & Dom. Sugar	.20	Mar. 1	Feb. 10
Can. Malting	.50	Mar. 15	Feb. 14
Can. Safeway 4½% p	1.12½	Mar. 1	Feb. 14
Can. Starch 7% pf.	3.50	Feb. 16	Feb. 9
Cn. Vinegars	.15	Mar. 1	Feb. 16
Can. Car & Fdry.	.20	Feb. 23	Jan. 29
Do., Cl. A	.25	Feb. 23	Jan. 29
Candn. Breweries	.50	Apr. 1	Feb. 27
Candn. Fairb'ks-M.	.25	Mar. 1	Feb. 13
Candn. Food	.18¾	Apr. 1	Feb. 27
Do. A	.25	Apr. 1	Feb. 27
Do. 4½% pfd.	1.12½	Apr. 1	Feb. 27
Can. For. Inv. Corp.	§1.75	Apr. 1	Mar. 1
Candn. Ice Mach. A	.20	Apr. 1	Mar. 18
Candn. Intnl. Inv. Tr. pf.	6.25	Mar. 1	Feb. 13
Can. Int. Inv. Tr. p.	6.25	Mar. 1	Feb. 13
Can. Locomo.	1.00+1.50	Mar. 1	Feb. 10
Candn. Tire	.25	Mar. 1	Feb. 20
Candn. Oil	.20	Feb. 16	Jan. 28
Candn. Util. 5% pf.	1.25	Feb. 16	Jan. 29
Candn. West. Lumb.	.10	Apr. 15	Mar. 18
Do.	.10	Jul. 15	June 17
Do.	.10	Oct. 15	Sept. 17
Chartered Trust	1.25	Apr. 1	Mar. 15
Chesterville Mines	.05	Apr. 30	Apr. 9
Cinzano Ltd., A	4½d	Mar. 15	Mar. 1
Do., 5½% pfd.	2¾%	Mar. 31	Mar. 15
Coch.-Dunlop Hdwre. A	.20	Feb. 15	Jan. 31
Do., pfd.	.30	Feb. 15	Jan. 31
Cockshutt Plow	.25	Jun 1	May 1
Do.	.25	Dec. 1	Nov. 1
Colonial Steamship	§6.00	Feb. 23	Feb. 2
Commoil Ltd.	.00½	Feb. 25	Feb. 11
Confed. Life 30% p.	1.50	Mar. 15	Mar. 10
C'monwealth Intnl.	.04	Feb. 15	Jan. 15
Consol. Bakeries	.25	Apr. 1	Mar. 6
Consumers Glass	.50	Feb. 28	Jan. 27
Corr. Pap. Box	.25	Mar. 1	Feb. 10
Do. pfd.	1.25	Mar. 1	Feb. 10
Cosmos Imp'r'l	.35+.25	Feb. 14	Jan. 31
Crown Cork & Seal	.50	Feb. 16	Jan. 16
Davis Leather A	.37½	Mar. 1	Feb. 2
Do. B	.17½	Mar. 1	Feb. 2
Dist. Corp.-Seag.	.15	Mar. 15	Feb. 24
Dom. & Anglo Invest. Corp. pf.	1.25	Mar. 1	Feb. 14
Dom. Bridge	.30	Feb. 25	Jan. 30
Dom. Scot Invest. 5% pf.	.50	Mar. 1	Feb. 10
Dom. Stores	.37½	Mar. 16	Feb. 16
Donnacona P. p 4½%	1.12½	Feb. 18	Jan. 15
Do.	1.12½	May 14	Apr. 15
Do. com	.50	Apr. 1	Mar. 1
Donnell & Mudge	*.20	Apr. 1	Mar. 10
Do. A	.25	Apr. 1	Mar. 10
Donohue Bros.	.25	Mar. 1	Feb. 15
Eastern Steel	.15	Mar. 1	Feb. 14
Eddy Paper, A	.25	Mar. 15	Feb. 16
Empire Life Ins. 20-25% pd.	4%	Mar. 1	Feb. 1
Equitable Life	.50	Feb. 20	Feb. 14
Fed. Fire Ins.	1.00+.25	Feb. 16	Feb. 12
Do.	1.00	Aug. 16	Aug. 12
Fed. Grain 6½% pf.	5.00	Mar. 1	Feb. 16
Ford Motor A, B	.25+.25	Feb. 27	Feb. 6
Gen. Steel Wares	.20	Feb. 16	Jan. 16
Gt. Lakes Paper	.40	Mar. 1	Feb. 13
Gt. West Coal	.40	Feb. 15	Jan. 31
Gypsum Lime	.25	Mar. 1	Jan. 31
Do.	.25	Jun 1	May 2
Do.	.25	Sep. 1	July 31
Do.	.25	Dec. 1	Nov. 30
Hallnor Mines	.07	Mar. 1	Feb. 10
Ham. Cotton	.22½	Mar. 1	Feb. 10
Home Oil	.25	Mar. 10	Jan. 30
Hudson Bay M. & S.	1.00	Mar. 8	Feb. 6
Imp. Tob. ord.	.10+.20	Mar. 31	Feb. 17
Do. 6% pfd.	3%	Mar. 31	Feb. 17
Imp. Varnish	.20	Mar. 1	Feb. 18
Do. pf.	.37½	Mar. 1	Feb. 18
Intnl. Metal Ind., A	.40	Apr. 1	Mar. 8
Do., B	.40	Apr. 1	Mar. 8
Do., 4½% pfd.	1.12½	Apr. 1	Mar. 8
Intnl. Nickel	†.40	Mar. 20	Feb. 19
Intnl. Utilities	†.22½	Mar. 1	Feb. 10
Kelvinator of Can.	.37½	Mar. 20	Mar. 6
Kerr-Addison	.03	Feb. 27	Jan. 31
Lake Shore Mines	.18	Mar. 15	Feb. 14
Lake of Woods M.	.40	Mar. 1	Feb. 2
Do. 7% pf.	1.75	Mar. 1	Feb. 2
Laura Secord	.20	Mar. 1	Feb. 2
Legare Co. 6% pf.	2.00	Feb. 16	Jan. 23
Leitch Gold	.02	Feb. 16	Jan. 30
Loblaw Groc.	†.20	Feb. 26	Feb. 6
Loblaw Groc. A & B	.25	Mar. 1	Feb. 3
W. M. Lowney	.25	Apr. 15	Mar. 15
Maclaren P. & P.	.50+.25	Feb. 28	Feb. 14
McIntyre-Porc.	.50½	Mar. 1	Feb. 2
J. S. Mitchell & Co.	.75	Apr. 1	Mar. 15
Montreal Cot.	.13	Mar. 15	Feb. 13
Do., pfd.	.44	Mar. 15	Feb. 13
Nat. Biscuit	†.40	Apr. 15	Mar. 9
Do. 7% pf.	†1.75	Feb. 27	Feb. 6
Nat. Drug	.12½	Mar. 1	Feb. 11
Do. pf.	.15	Mar. 1	Feb. 11
Noranda Mines	.75	Mar. 15	Feb. 13
Normetal Mng. Corp.	.05	Mar. 31	Mar. 1
N. S. Lt. & Pr. 4% p	1.00	Mar. 1	Feb. 10
Do. 6% pf.	1.50	Mar. 1	Feb. 10
O'Brien Gold	.03	Feb. 22	Jan. 23
Ogilvie Flour Mills	.25	Apr. 1	Feb. 25
Do., 7% pf.	1.75	Mar. 1	Jan. 26
Ont. Steel Prod.	.25	Feb. 15	Jan. 16
Do., 7% pfd.	1.75	Feb. 15	Jan. 16
Paramount Pict.	†.50	Mar. 24	Mar. 4
Paton Mfg.	.20	Mar. 15	Feb. 29
Do. 7% pf.	.35	Mar. 15	Feb. 29
Penmans Ltd.	.75	Feb. 16	Jan. 15
Photo Engravers	.75+.75	Mar. 1	Feb. 15
Proprietary Mines.	.03	Mar. 5	Feb. 6
Prov. Trans.	.40	Feb. 16	Feb. 2
Purity Flour	.25	Mar. 1	Feb. 6
Quebec Pwr.	.25	Feb. 25	Jan. 16
Regent Knit. Mills	.25	Mar. 1	Feb. 13
Do. pfd.	.40	Mar. 1	Feb. 13
Do.	.40	Jun. 1	May 14
Do.	.40	Sep. 1	Aug. 13
Do.	.40	Dec. 1	Nov. 12
Robinson Little, A	.25	Mar. 1	Feb. 14
Do. 4¼% pf.	1.06¼	Mar. 15	Mar. 1
Rolland Paper	.15+.15	Feb. 16	Feb. 2
Royal Bank	.25	Mar. 1	Jan. 31
Scythes & Co.	.19	Mar. 1	Feb. 18
Do., 5% pf.	.31¼	Mar. 1	Feb. 18
Seiberling Rub.	.25+.50	Feb. 16	Feb. 6
Do. 4% pf.	.50	Apr. 2	Mar. 2
Shawin. W. & Pwr.	.30	Feb. 25	Jan. 16
Shea's Brewery A	.25½	Feb. 15	Jan. 31
Do., B	.75+.25	Feb. 15	Jan. 31
Sher.-Williams	.20	May 1	Apr. 9
Do. 7% pfd.	1.75	Apr. 1	Mar. 10
H. Simon & Sons	.30	Mar. 1	Feb. 4
Do. 5% pfd.	1.25	Mar. 1	Feb. 4
Silverw'd Dair., A	.15	Apr. 1	Mar. 10
Do., B	.30	Apr. 1	Mar. 10
Silverwood West. Dairies 5% pf.	1.25	Apr. 1	Mar. 10
Simpsons A	.75	Feb. 25	Feb. 2
Do., 4½% pf.	1.12½	Mar. 15	Feb. 16
Southam Co.	.25	Feb. 16	Jan. 16
South. Can. Pwr.	.30	Feb. 16	Jan. 20
Springer Sturg.	.03	Apr. 5	Mar. 15
Stadacona Mines	*.03	Feb. 16	Jan. 15
Standard Chem.	.10	Mar. 1	Jan. 30
Do., 5% pfd.	1.25	Mar. 1	Jan. 30
Stand. Pav. pf.	.62½+.25	Apr. 1	Mar. 1
Do. com.	.25	Apr. 1	Mar. 1
Stedman Bros.	.25	Apr. 1	Mar. 15
D. A. Stuart Gold	.20	Mar. 1	Feb. 16
Sylvanite Gold	.01½	Apr. 1	Feb. 14
Tamblyn	.25+.05	Apr. 1	Mar. 12
Do. 4% pf.	.50	Apr. 1	Mar. 12
Toronto Elev.	.15	Mar. 1	Feb. 20
United Corp. A	.38	Feb. 14	Jan. 15

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 10, 1948

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	68	71	68
†Assoc. Tel. & T.	5½	'55	107	...	107
Bell Telephone.	3	'77	95½	98½	95½
B. C. Electric	3½	'67	95	97½	95
East Kootenay	3⅞	'67	93	96	93½
§Gatineau Pr. D	3½	'70	97½	100½	97½
*Do., G	3	'70	93½	96½	93½
Gt. Lakes Pwr.	3½	'67	95	98	95
*Int. Hydro-El.	6	'44	65½	68½	65½
L. St. Law. Pr.	3⅞	'65	99	103	99½
†Mtl. Trams. A	5	'55	98	...	99
Nat. Lt. & Pr.	4½	'61	101	...	101
Ott. L.H. & P.	4	'57	100½	...	100½
Power Corp.	3½	'67	95	98	95½
Quebec Pwr.	3	'62	96½	99½	96½
St. Maurice Pr.	3½	'70	95	98	95
Shaw W. & Pr.	3	'71	94	97	94
Do.	3½	'70	99½	102½	100
Union Gas	4½	'50	99½	102½	99½
United Secs.	3	'52	97½	...	97½
Wpg. El.	3⅞	'71	101½	104	101½
Industrial and Realty Issues:					
Abitibi Pr. P.	3½	'67	96½	99	96½
Acadia-Atlantic Sugar	3⅞	'65	100½	102½	100½
Aluminum Co.	3½	'74	101½	104½	101½
B. C. For. Pdcts.	4	'66	94	96½	94
B.C. Pulp & P.	3½	'67	94	97½	94
Bowater's Nfld. P. & P.	3½	'68	97½	99½	98
†Brown Co.	5	'59	99	102	99
Burns & Co.	4	'63	98	101½	98
Can. Steamship	3½	'57	99½	102½	99½
Can. Brews.	3½	'67	94½	97½	95
Can. Celanese	3	'62	97½	99½	97½
Can. Oil	3½	'62	97½	100½	97½
Can. West Lum.	4	'62	98½	101½	98½
C. P. R.	3½	'51	102½	...	104
Do.	4	'49	101½	...	101½
C.P.R.	4	Perp	109	...	111
Consol. Paper	3½	'67	98	100	98
Dom. Coal	4½	'52	100½	...	100½
Dom. Scott Inv.	3	'64	91	96	91
Dom. T. & Ch.	3½	'57	100½	103½	100½
Dom. Textile	3½	'59	103	...	101½
Dom. Woollens.	5	'64	100	103	100
Dryden Pap.	4	'61	99½	...	99½
E. B. Eddy	3½	'66	97½	100½	97½
Federal Grain	4	'64	97½	100½	97½
Ham Cotton	3⅞	'59	99½	...	99½
Imperial Tobac.	2¾	'66	96½	98½	96½
Indust. Accept.	3½	'66	95	98	95
Lake St. J. P.	5½	'61	102	105	102
Do.	5	'61	101½	104½	101½
MacMillan (H. R.) Export	4	'65	100	103	100
Maple L. M.	3⅞	'63	98	101	98
Massey-Harris	3	'66	93	96	92½
McColl Fron.	3	'71	94	97	94
McCormicks	4	'52	99½	...	99½
Mercury Mills	4	'59	98½	...	98½
Moirs Ltd.	6	'53	99½	...	99½
Montreal Apts.	4	'54	94	97	94
N.S. Stl. Coal	3½	'63	94½	97½	94½
Price Bros.	3½	'66	98	101	98
Silv. Dairies	4	'60-64	98½	101½	98½
Do.	4	'71	95½	98½	95½
Simpsons Ltd.	3½	'60	101½	104½	101½
Steel Co. of Can.	2¾	'67	94	97	94½
Toronto Elevat.	3½	'66	99½	102½	99½
United Corp.	4	'58	99½	102½	99½
†Western Grain.	5	'63	82½	85½	82½
York Kt. Mills.	3½	'71	97½	99½	97½

*Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
*Payable in U.S.
§Payable in Canada only.
▲Payable in Can. or U.K.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$15.25	$15.22	$13.52
Hogs	28.10	28.10	21.35
Copper, lb.	.21⅛	.21⅛	.19⅛
Sugar, raw, lb.	.0495	.0510	.0820
Coffee, lb.	.26¼	.26½	.27⅞
Hides	.28½	.31½	.22
Weekly Indices			
U. S. Labor	164.4	165.5	140.3
Dow Jones	166.67	167.42	120.94
Fishers	172.3	172.6	151.2
Monthly Indices			
Retail (Jan.)	148.3	146.0	127.0
W'sale (Dec.)	143.5	142.5	112.0
U. S. (Nov.)	159.5	158.5	139.6
Gt. Brit. (Oct.)	202.7	199.3	179.0

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper-electrolytic, New York, Coffee No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Company Meetings

1948	Company	Place
Feb. 12	Excelsior Life Insur.	Toronto
Feb. 13	Dom. Life Assur.	Waterloo, Ont
Feb. 17	Beatty Bros.	Fergus, Ont.
Feb. 17	Chartered Trust & Ex.	Toronto
Feb. 17	Harding Carpets	Brantford
Feb. 17	London Candn. Insur.	Toronto
Feb. 18	Br. N. W. Fire Ins.	Toronto
Feb. 18	Can. Breweries	Toronto
Feb. 18	Guarantee Co. of N. A.	Montreal
Feb. 18	MacL.-Cock. G. M.	Toronto
Feb. 18	Security Natl. Insur.	Toronto
Feb. 19	Dom. Oilcloth & Lin.	Montreal
Feb. 20	Montreal Island Pwr.	Montreal
Feb. 21	Biltmore Hats	Guelph
Feb. 23	Cinzano Ltd.	Montreal
Feb. 23	Canada Cement	Montreal
Feb. 23	Montreal Life Ins.	Montreal
Feb. 24	Argus Corp.	Toronto
Feb. 24	Confederation Life	Toronto
Feb. 26	Bell Telephone	Montreal
Feb. 26	Dom. Fire Ins.	Toronto
Feb. 27	Bruck Silk	Montreal
Mar. 10	Quebec Power	Montreal
Mar. 18	Shawinigan W. & P.	Montreal

Municipal Bonds

Feb. 10, 1948

	Coup. %	Matur.	Bid $	Ask. $	Yld %
Victoria	3¾	'55	99	102	3.45
Vancouver	3	'67	94½	97½	3.17
Calgary	3½	'51-61	99½	101½	2.95
Edmonton	3½	'49-59	100	102	1.87
Regina	3	'64	94	97	3.25
Moose Jaw	3-3½	'60	97	100	3.25
Winnipeg	2¾	'66	95½	97½	2.92
Ottawa	3	'54	102	104	2.33
Toronto	2¾	'72	94	97	2.92
Hamilton	3	'53	102	104	2.18
Windsor	2½	'75	73½	76½	4.00
Windsor	2¾	'75	77½	80½	3.90
Windsor	3½	'75	90	93	3.92
Montreal	3	'70	96	99	3.06
Quebec	2¾	'66	93	95	3.11
Halifax	3	'66	96	98	3.14
Saint John.	3½	'65	101	104	3.28

Investment Trusts

	Bid	Asked
Affiliated Funds	3.58	3.92
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.35	4.80
Can. Invest. Corp.	7.00	7.75
Commonwealth Int.	3.34	3.67
Corporate Invest.	8.80	9.05
Trans-Canada, A	13.00	....
Do., B	....	12.70

Dividends Declared (contd.)

	This payment $	Date payable	Date of record
Do. B	.25+.30	Feb. 28	Jan. 31
United Steel	.12½	Mar. 30	Mar. 10
Vir. Dare, pf.	.31¼	Mar. 1	Feb. 18
Waite Amulet	.30	Mar. 10	Feb. 10
Walker-G. & W.	.37½	Mar. 15	Feb. 13
Waterous Ltd., A	.20	Feb. 16	Jan. 31
Wellington Fire Ins.	1.75	Feb. 16	Feb. 12
Do.	1.75	Aug. 16	Aug. 12
Geo. Weston 4½% p	1.12½	Mar. 1	Feb. 16
Woods Mfg.	.50	Mar. 31	Feb. 28

†N. Y. funds. *Initial.
§Subject to approval of F.E.C.B.

Market Comment

What stocks and bonds are doing and what prominent observers say.

The past week saw the sharpest break in Canadian and U. S. industrial stocks in 17 months—almost 10 points for the Toronto industrial index. Volume, while not of catastrophic proportions, was running almost double the previous week.

The first sharp postwar break in a wide list of commodities touched off the selling wave in stocks. March wheat futures broke the limit (10c a bu.) for four sessions from Feb. 4 to Feb. 10. By Tuesday it was off 43½c at $2.51½. Corn, oats, rye, cotton, rubber, hides were other commodities joining in the toboggan slide.

Many investors interpreted the commodity price break as incontestable proof that the end of the postwar boom was at hand; some of the gloomier revived depression talk. Fears were expressed that the downturn might snowball to take in retail prices and a widening range of manufactured products. Talk of possible sharp inventory losses in many industries was widely heard.

Contrary to most market advice that claimed stocks were at such deflated levels that they would not follow too closely any wide commodity price break, stocks fell just as sharply as commodities. These same experts are now predicting a sizeable comeback in stocks within the next two weeks.

Factors promoting the drop in wheat prices were prospects for excellent winter wheat crops in the United States and many parts of Europe. This in itself, however, could aid materially in feeding Europe and reducing that continent's dependence on U. S. aid. In fact the whole commodity slide had its definite bullish implications for stocks. Up to now the realization that commodities would have to break soon was one of the chief market deterrents. If the whole commodity price structure could be eased down onto a more stable base without too much industrial upset a good firm base could be laid for the long-heralded bull market, some market authorities say. Weight of opinion seems to suggest that this will not happen this side of the 140-150 level on the Dow-Jones industrial index.

Another unusual feature of the recent market break has been the decline in Canadian gold stocks when most of the market implications are bullish. It is significant that Kaffirs in London have been putting on quite a show of strength even in the face of the commodity break in this continent.

• • •

W. D. Benson; R. Moat & Co. (Montreal): So far the year 1948—from the viewpoint of the stock market operator—has been an unqualified disappointment. The upward swing in stock prices, which at this time of year normally results from the operation of seasonal factors, has so far been conspicuous by its absence.

Whether or not the seasonal recovery for 1948 must be written off, remains yet to be determined, but at this writing it seems not improbable that an early implementation of the Marshall Plan on a reasonably generous scale could bring about at least a temporary reversal in psychology, with a corresponding, if temporary, effect on common stock prices.

Returning to the consideration of factors of a more basic and far-reaching type, there appears to be little doubt but that we have been, throughout 1947, running on what might be appropriately termed, "borrowed time," awaiting the unfolding of the law of supply and demand, with an ever-increasing number of goods and services being priced out of range of their market, and beyond the reach of demand.

It is my conception that the first leg of a major bear market was witnessed in the last part of 1946, and that the year 1947 has been a natural—but on this occasion protracted—interlude pending the realization of the industrial contraction which the stock market of 1946 had forecast.

If this veiw is well taken, it implies that the final phase of market decline can be assumed to have commenced and, measured by precedent, that the last leg of the bear market might be expected to reach its conclusion in 1948, perhaps by midyear. Assuming the mean of 1947 fluctuations to represent an approximate half way point in the decline, a possible further recession of from 15%-20%—from the level prevailing at the end of January 1948—in recognized industrial stock indices, should be allowed for.

Of particular interest at this time is the behaviour of commodity prices, the inflated state of which has been commented on in numerous previous appraisals.

A study of the action of this group as portrayed by the U. S. Bureau of Labor Statistics Index, reveals a striking parallel between the postwar periods of the two last major wars. At the outbreak of war in 1914 the index stood at 70, in 1939 the index was at 80; the 100 level was crossed in early 1917 and late 1942; the high was recorded at 167.2 in May 1920 and by January 1948 the index attained 165.5. The index had returned to the 100 level by May 1921, one year after the establishment of the high. Precedent and recent market developments suggest that the day of reckoning draws near.

While this may not be the time to talk of recovery when the period of contraction remains yet incomplete, I think it proper to state that statistical records clearly show that there still remains an enormous potential buying power, temporarily rendered static by high prices and high costs, but one which when again brought into focus by a general price adjustment, could result in recovery of truly substantial proportions.

For the time being the purchase of Industrial Common stocks should be deferred, but the acquisition of carefully selected shares of gold producing companies may be initiated on a conservative scale down. Here is an industry which is a keen sufferer from inflation but a direct beneficiary of deflation and ultimate currency devaluation.

• • •

G. C. Williams (Toronto): Predominating influence on security markets during the past week has been the sharp sell-off in American commodity prices and corresponding decline in the New York Stock Market. Big controversy in financial circles now is whether the inflationary boom is over and the long heralded "recession" setting in or if this is merely a healthy corrective action to the generally recognized "too high" prices of many commodities.

With this background of uncertainty prevailing it is natural to expect stock markets to assume a defensive action and the week's decline has carried the Dow Averages down to a testing point of the past year's lows. Technical market traders will be watching to see if a break-through of the lows will confirm a primary bear market trend.

In face of the decline in the senior American markets, the Toronto Gold share market has shown resistance. While trading volume has been low, the general price level of the producing issues has shown only moderate decline.

Actually the background for the Gold industry is the best it has been for a number of years. The labor problem has shown a sharp reverse in the past month and most properties are now reporting full crews with production rising towards normal capacities. Despite criticism by the industry, the Government's "cost bonus plan" will help to offset higher costs. The recent French franc devaluation shows that widespread world currency devaluation to truer money values and a resulting higher gold price is quickly drawing nearer. Gold shares are being recommended as a hedge against any monetary disorders and business recession.

While outlook for the producers now offers favorable steady improvement, the market in "drill hole" prospects and development issues has been dull with a real market leader lacking.

• • •

J. L. Goad & Co. (Toronto): Regardless of the immediate outlook, we feel that it is only a question of time till the pound and our dollar are devalued. This will benefit tremendously such Canadian industries as gold mining and the manufacture of newsprint. We believe every investor should hold certain golds against this possibility.

Certain of our industries, notably textiles, may be adversely affected by devaluating British and French currencies. Investors would be well advised to consider their holdings with this possibility in view.

• • •

John H. Lewis & Co. (New York): We are bullish on gold shares because we believe that deflation is more to be feared than inflation from an intermediate standpoint. Moreover, the recent currency devaluations in Italy and France are, in our opinion, the forerunners of similar developments to come in other countries including England and Canada. When devaluation hits Canada it will mean a substantial increase in the price of gold for gold mining companies in that country. Thus from an intermediate to longer term view Canadian gold shares are likely to be benefitted from a reduction of costs and/or an increase in the price of gold. Our own gold producers will likewise benefit from corresponding developments although they may occur belatedly here.

• • •

New Highs and Lows

During the week ended Feb. 7, 2 new highs were recorded among the "general" stock exchanges, and 58 new lows. In the mining group there were five new highs and 23 new lows.

GENERAL

New Highs—1947-48

Cons. Smelt.
Premier Trust

New Lows—1947-48

Acadia Atlan. pf.
Agnew Surpass
Anglo-Can. Tel. pf.
Argus 4½% pf.
Do. warr.
Bertram & Sons A
Brand & Millen
Br. Amer. Bk. Nte.
Br. Amer. Oil
B.C. Elec. 4% pf.
Can. Bread pf. B
C. & D. Sugar
Can. Malting
Can. Packers A
Can. Steamships
Can. Vinegars
Can. Breweries
Can. For. Inv.
Consumers Glass
Davis Leather B
Dom. Bridge
Dom. Dairies pf.
Dom. Glass
Dom. Malt. pf.
Dom. Tex.
Do. pf.
Fanny Farmer
Fed. Grain pf.
For. Pr. Secs. pf.
Gair Cu. Can.
Goodyear Tire pf.
Hotel LaSalle
Int. Bronze pf.
Journal Publish.
L. of Woods Mill.
Do. pf.
Laura Secord
McColl Frontenac
Do. rts.
Molson Brew.
Mon. Knit. 4% pf.
Montreal Cottons
Do. pf.
Ogilvie Flour
Penmans
Shea's Brew.
Sher. Williams pf.
Simpsons pf.
Stand. Chem.
Do. pf.
Stan. Brock B
Steel Co. of Can.
Do. pf.
Stowell B
Taylor Pearson
Tip Top Can. A
West. Grocers pf.
Zellers 5% pf.

MINING

New Highs—1947-48

Candego
Hudson Bay
Negus
Placer Devel.
Waite Amulet

New Lows—1947-48

Alger
Amer. Neph.
Aquarius
Bonville
Cartier Mal.
Coniaurum
Federal
Goldale
Jellicoe
Lapaska
Mining Corp.
Moneta
N. Marlon
Norbenite
Parbec
Powell Rou.
Do. v.t.
Quatsino
Sunloch
Teck Hughes

OILS

New Highs—1947-48

Federated P.
Jump. Pound
Lowery

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments. Offerings of Corporations and Foreign Securities

CORPORATE

The Elk Creek Water Works—4½% first mortgage sinking fund bonds, series A, due Jan. 1, 1968, $350,000, dated Jan. 1, 1948. Price on application. Offered by Pemberton & Son, Vancouver, Ltd.

Bathurst Power & Paper — 3% serial bonds and 3¾% 20-year bonds, due Jan. 2, 1951-58-68, $3,500,000, dated Jan. 2, 1948. 3% serial bonds are not available for public subscription. 20-year bonds offered at $100 and accrued interest to yield 3.75% by Nesbitt, Thomson & Co., Ltd. and Midland Securities Ltd.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
‡Can. Nat. Rlwy. 17-yr. gtd. bds.	3%	1953	Feb. 15	100
‡Island Tel., 1st mtge. bds.	4%	1968	Mar. 1	104

‡All outstanding.

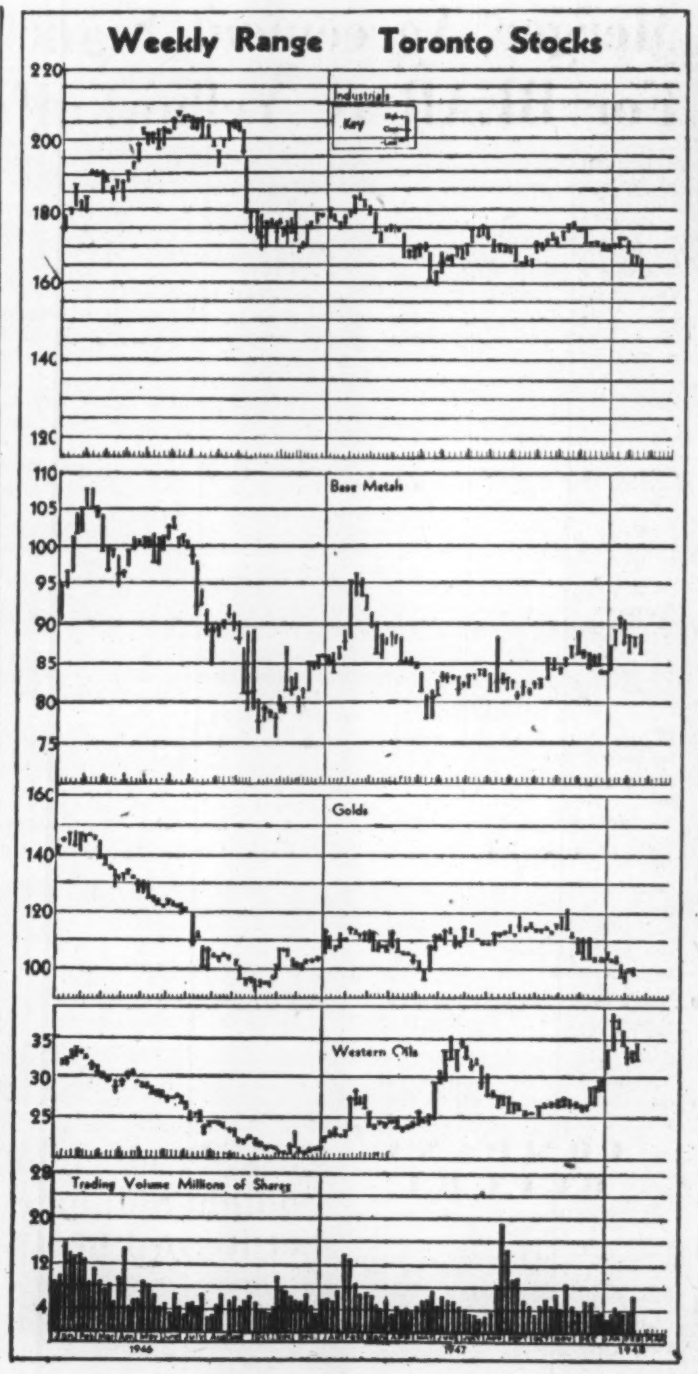
Stock Redemption

Company:	Rate	Date	Price
‡Dom. Env. pf.	7%	Mar. 1	55
‡New Method Laundry pf.	6½%	Mar. 1	116.37½*

‡All outstanding shares.
*Including accrued dividends.

BANK OF CANADA

	Feb. 4 1948 $	Jan. 28 1948 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,159,132,057	1,158,929,783
Deposits: Dom.	102,638,942	54,480,852
Chart. banks	533,240,583	547,983,575
Other	79,736,519	64,162,782
Total deposits	715,616,044	666,627,209
Liabs. payable in sterling, U.S.A. and for'n. gold currencies: Deposits	33,591	433,591
All other liabs.	31,576,462	29,908,797
Total liabs.	1,921,408,521	1,870,949,747
Assets		
Sterling & for'n exchange	33,591	433,591
Subsid. coin	224,059	229,195
Investments: Dom. govt. sh.	996,250,002	941,181,110
Oth. Dom. gov.	858,915,348	864,637,386
Other secs.	25,000,000	25,000,000
Total invest.	1,880,165,350	1,830,786,496
Premises	2,344,626	2,343,109
All other assets	38,640,895	37,175,356
Total assets	1,921,408,521	1,870,949,747



COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

NORTHERN LIFE ASSURANCE CO. OF CANADA in 1947, its fiftieth year, passed the $100 millions mark in business in force, total on Dec. 31 being over $101 millions. New business produced and settled for, during the year, totalled over $14.7 millions. Paid for new business and gain of business in force was somewhat smaller than in 1946, but, General Manager G. W. Geddes, points out, 1946 was an exceptionally good year in agency production for the company, much better than the average. Production in 1947, therefore, is something like a return to more normal conditions and represents an increase of about 10% over 1945.

Total income in 1947 at $3.4 millions included $2.3 millions premiums and $755,468 interest, dividends and rents. All figures exceed those of the previous year. Among the disbursements, payments on matured and surrendered policies at $472,646, compared with $300,991 in 1946. Mr. Geddes notes that the years 1927, 28 and 29 were years of large production for the Northern Life and accordingly 20 years later many of these policies have reached maturity. These comparatively large amounts are received by living policyholders.

Total assets increased to $19.3 millions. Holdings of Dominion provincial and U. S. Government bonds on Dec. 31 were 46.25% of total invested assets against 55.62% a year before. About $1 mililon of low yielding bonds have been sold during the year. The mortgage portfolio, meanwhile, has increased from 30.64% of the total a year ago to 39.82% on Dec. 31. At the end of 1946 the company had no real estate in its ledger assets. This year an item of $300,000 represents the cost of the new home office building. No bonds are in default and mortgage collections, close to 100% up to date.

	1947 $	1946 $
Insurance in force	101,033,937	92,027,276
New insurance	14,713,195	17,663,993
Total income	3,429,858	3,339,940
Premiums	2,303,221	2,224,045
Int., divds., rents	755,469	651,727
Policy payments	1,218,941	973,213
Expenses & taxes	742,716	694,162
Other payments	146,354	97,430
Inc. in ledger assets	1,364,547	1,430,625
Liabs to pol'hldrs. inc. actuarial reserves	17,779,104	16,512,886
Other liabs.	239,648	217,393
Liabs. to sh'hldrs. inc. capital	276,816	280,500
Sp. reserves	428,708	405,729
Total assets	19,271,949	17,867,657
Surplus	546,673	451,149
Int. earned	3.81%	3.70%

SUN LIFE ASSURANCE CO. OF CANADA on Dec. 31 had $3.8 billions of life insurance in force, and over $1.4 billions of assets. During the year it distributed to policyholders and beneficiaries almost $102 millions, of which $31.9 millions, 31% of the total, was paid to beneficiaries of policyholders who died during the year, $39.8 millions (39%) to living policyholders, $13.4 millions (13%) in income payments to annuitants; $1.8 millions (2%) in disability claims, and $15 millions (15%) in dividends to policyholders. These payments equalled $362,686 for each working day in the year. In its 77 years of existence the company has distributed over $2,021 millions to beneficiaries and policyholders.

New life insurance during the year at $380.6 millions was 9.3% above that of 1946. Total new business originated as follows: Canada 30%; United States 34%; Great Britain 17%; Eastern Department (South Africa, Egypt, India, and other countries in the Far East) 12%; Western Department (Argentina, Cuba, Puerto Rico, and the West Indies) 7%. Total new business includes $334.6 millions ordinary and over $46 millions group.

Mortality experience was described as "extremely favorable." The average rate of interest earned on invested assets was 3.32% (1946 3.52%). Due to the generally lower level of interest rates in recent years, the company has decided to calculate its premiums on new policies issued since Jan. 1 on the basis of anticipated interest earnings of 2½% per annum on invested assets, instead of 3% used heretofore. Revised mortality tables have also been adopted. The result of the lower interest basis tends to raise premiums and the lower mortality rates in the new table tend to lower them. Cost of many policies remains practically unchanged, some lower, some higher.

	1947 $	1946 $
Insur. in force	3,837,724,159	3,573,132,753
New insurance	380,659,514	348,155,491
Total income	228,163,360	242,567,792
Insur. prems.	128,983,407	122,060,967
Annuity prems.	23,092,573	30,504,658
Int. divds. rents	43,918,228	44,264,727
Pol. proceeds & other amts. left at int.	29,358,458	30,568,601
Profits on sale of sec. etc.	2,810,693	15,168,838
Pol. payments	101,914,657	101,465,672
Liabs. to pol'hldrs. inc. actuar. res.	1,308,210,590	1,236,953,950
Liabs. to sh'hldrs. inc. capital	4,559,509	4,478,961
Misc. & cont. res.	21,285,593	19,227,675
Other liabs.	13,518,673	12,149,292
Total assets	1,421,962,912	1,343,132,975
Surplus	74,408,546	70,323,080
Int. earned	3.32%	3.52%

CANADIAN MUNICIPAL AND CORPORATION SECURITIES

F. H. DEACON & CO.

Business Established 1897

Members Toronto Stock Exchange

197 BAY ST. — TORONTO 1 — ELGIN 3401

J. E. GRASETT & CO.

Members The Toronto Stock Exchange

244 BAY STREET, TORONTO WA. 4781

BRANCH

3030 DUNDAS ST. W. (opposite High Park Ave.) JU. 1167

— FAR TOO MUCH —

It is rarely possible to get from one ideal security—income, safety and profits. This may be possible now and then but is far too much to expect as a general rule.

Income, safety and profits can best be obtained by selection and diversification. We have put together a list which could place some good suggestions before you. Copy gladly sent on request.

KIPPEN & COMPANY INC.

Investment Securities

Established 1922

Imperial Bank Building, MONTREAL — 610 St. James St. West

Telephone LAncaster 5101

J. BRADLEY STREIT & CO.

Members The Toronto Stock Exchange

330 BAY ST. WAVERLEY 4831 TORONTO

ESTABLISHED 1901

Playfair & Company

Members:
THE TORONTO STOCK EXCHANGE
NEW YORK COCOA EXCHANGE INC.
H. L. TRAPP, Member

STOCKS, BONDS & MINING SECURITIES

Correspondence Solicited

68 King St. West - - - Toronto 1

Telephone: ADelaide 6001

MOSS, LAWSON & CO.

Members

The Toronto Stock Exchange • Calgary Stock Exchange

219 BAY ST. · TORONTO 1 · ELGIN 9281

FRANK G. LAWSON • WILLIAM J. KERR • DONALD M. M. ROSS • R. G. CLARKE

THIRTY-FIFTH ANNUAL REPORT OF

The Waterloo Trust and Savings Company

ASSETS AND LIABILITIES
December 31st, 1947

ASSETS			LIABILITIES	
CAPITAL ACCOUNT			**CAPITAL ACCOUNT**	
Office Premises, Waterloo, Kitchener and Preston, including Safe Deposit Vault, etc., and fixtures — Kitchener, Waterloo, Galt and Preston		$ 341,140.41	Capital (Paid Up)	$ 1,500,000.00
Other Real Estate		18,917.08	General Reserve	525,000.00
Mortgages	$ 378,252.49		Dividend declared (Paid Jan. 2, 1948)	37,500.00
Interest accrued	7,606.29	385,858.78	Provision for Dominion & Provincial Gov't Taxes	50,784.01
Loans on Securities, including $26,398.90 against Company's own stock		89,487.12	Profit and Loss	107,040.47
Dominion and Provincial Government Guaranteed Bonds	48,842.18			
Dominion and Provincial Government Bonds	975,035.82			
Canadian Municipal Bonds	41,753.64			
Other Bonds and Stocks	68,793.34	1,134,424.98		
Other Assets		65,658.30		
Advances to Estates under Administration		19,322.57		
Cash on hand and in Banks		165,014.44		
		$ 2,220,324.48		$ 2,220,324.48
GUARANTEED TRUST ACCOUNT			**GUARANTEED TRUST ACCOUNT**	
Mortgages (including Agreements for Sale, $73,991.73 covering mortgaged properties sold)	6,024,835.78		General Guaranteed Investment Receipts	6,420,588.09
Interest accrued	62,180.29	6,087,016.07	Trust Deposits	16,620,194.21
Dominion and Provincial Government Bonds	13,173,413.22			
Dominion and Provincial Gov't Gtd. Bonds	505,219.29			
Canadian Municipal Bonds	1,694,043.67			
Other Bonds and Debentures	209,155.07	15,581,831.25		
Stocks		192,472.79		
Demand Loans against Securities		161,947.85		
Cash on hand and in Banks		1,017,514.34		
		$23,040,782.30		$23,040,782.30
ESTATES, TRUSTS AND AGENCY ACCOUNT			**ESTATES, TRUSTS AND AGENCY ACCOUNT**	
Mortgages		848,182.76	Trust Funds for Investment	6,203,292.64
Bonds		3,925,651.30	Advances from Capital Funds	19,322.57
Sundry Trust Investments		631,716.16	Inventory value of unrealized Estates Assets	5,609,647.64
Cash on hand and in Banks		817,564.99		
Inventory value of unrealized Estates Assets		5,609,647.64		
		$11,832,762.85		$11,832,762.85
		$37,093,869.63		$37,093,869.63

FORD S. KUMPF, President. P. V. WILSON, Managing-Director.

DIRECTORS

President
FORD S. KUMPF
Waterloo

Vice-Presidents

LOUIS L. LANG, Galt
HENRY KNELL, Kitchener

GEORGE A. DOBBIE, Galt
WM. HENDERSON, Sr., Waterloo
SENATOR W. D. EULER, Kitchener
P. R. HILBORN, Preston
W. H. SOMERVILLE, C.B.E., Waterloo
J. E. F. SEAGRAM, Waterloo
W. L. HILLIARD, M.D., Waterloo
F. H. SCHNEIDER, Kitchener
ALLAN HOLMES, Galt
H. L. McCULLOCH, Galt
T. W. SEAGRAM, Waterloo
H. C. KRUG, Kitchener
P. V. WILSON, Managing-Director

OFFICES

WATERLOO - KITCHENER - GALT - PRESTON

REGISTERED *Reliability*

IN ELECTRICAL EQUIPMENT

Nationally recognized as a symbol of service and quality is this trade mark of Amalgamated Electric. It identifies the finest in electrical equipment and supplies . . . advanced engineering and design, economy and service. Buy Amalgamated Electric products through your electrical wholesaler.

AMALGAMATED
ELECTRIC CORPORATION LIMITED
TORONTO AND MONTREAL

CHAMPION SAVINGS CORPORATION
MONTREAL, P. Q.
AGENCIES AT
HALIFAX • SASKATOON • LETHBRIDGE • CHARLOTTETOWN • CALGARY
VANCOUVER • REGINA • EDMONTON • VICTORIA
PLANNED SAVINGS

Which way do *you* dictate?

ANCIENT WAY—man-to-secretary dictation. This impractical method keeps two people tied down hour after hour, every day—causing delay, and letting work pile up and get behind!

OLD-FASHIONED WAY—man-to-machine, acoustic dictation. A step forward, it frees the secretary and speeds work. But ease of operation and perfect reproduction dictate an even better method.

MODERN WAY—Electronic dictation, pioneered by Dictaphone Corporation, is a boon to both boss and secretary. Electronic recording lets a man *really* relax . . . completely! Speaking into the handy Dictaphone microphone is exactly like thinking out loud. And because it means faithful reproduction, your secretary can quickly transcribe all your dictation *with* ease, and *without* error!

DICTAPHONE ELECTRONIC DICTATION HAS PROVABLE ADVANTAGES

Sit back and relax. Your Electronic Dictaphone machine will catch every word—even a whisper. It gives you *better* recording! *Better* reproduction! Electronic ease! Dictaphone's *dependable!* For a demonstration, call your local Dictaphone Representative or write for descriptive literature.

DICTAPHONE CORPORATION LIMITED, 86 RICHMOND ST. W., TORONTO

The word DICTAPHONE is the registered trade-mark of Dictaphone Corporation, makers of Electronic dictating machines and other sound-recording and reproducing equipment bearing said trade-mark.

Model AE, with either hand or desk microphone.

DICTAPHONE
Electronic Dictation

Merger Agreement Signed For BEAR & Yellowknife

The proposed merger of assets of Yellowknife Gold Mines with those of Bear Exploration and Radium into a new company, expected to be called Bear Yellowknife Consolidated, proceeded a step further late last week when officials of the two companies signed an agreement which provides for a settlement of all outstanding litigation, and merging of the assets of the two companies.

Notices of special meetings to secure consent of respective shareholders are to be sent out immediately. Both special meetings will be called for Feb. 28 and directors of both companies are recommending that the provisional agreement be ratified. Bear Yellowknife Consolidated, the proposed new company, will have an authorized capital of five million shares of which 4,814,036 will be issued under terms of the proposed amalgamation. Shareholders of Yellowknife Gold Mines other than B.E.A.R. are to receive 2,063 shares in the new company for each 1,000 Yellowknife Gold shares now held. Shareholders of Bear Exploration and Radium will receive 600 shares in the new company for each 1,000 shares of Bear now held.

If shareholders give consent to the merger, and this is regarded as a more or less foregone conclusion, then distribution of new company shares to shareholders of both Bear and Yellowknife Gold will be made as soon as practicable. The voting trust set up to assure no change in the control of Yellowknife Gold Mines for 15 years will be dissolved automatically with the distribution of the new company's shares, it is stated.

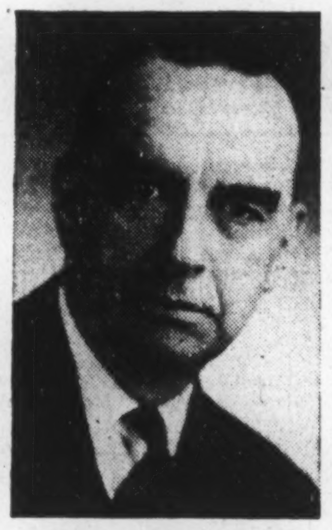
The proposed initial board of directors for the new company will be comprised of J. Bradley Streit, Ralph Pielsticker, John W. Tovell, H. R. Swanson, and Dr. W. F. James.

Over a Million Giant Shares

The new company will hold a total of 1,141,266 shares of Giant Yellowknife Gold Mines, or almost a quarter of a share of Giant Yellowknife for each share of Bear Yellowknife Consolidated to be outstanding. The agreement signed by officials of the two companies provides that none of these Giant shares will be sold without the consent of at least four directors.

Other shareholdings of the new company will include 915,000 of Yellorex Gold Mines, 1,000,000 shares of Atlas Yellowknife Mines, 1,000,005 shares of Neptune Gold Mines, 1,170,000 shares of Moher Yellowknife, 1,154,843 shares of Rich Group Yellowknife Mines, 25,000 shares of International Uranium, 350,000 shares of Fort Rae, and 1,100,000 of Admiral Yellowknife.

Bear Yellowknife Consolidated will continue as an operating company holding four groups of claims directly in the Yellowknife area — the Quyta, Greyling, Ace and Hope groups. No changes are being made in the field staff of either company at the present time.



R. DICKSON HARKNESS

vice-president and general manager of Northern Electric Co. has been elected a director of Montreal Trust Co.

Giant to Mill By Next April

From Our Own Correspondent

EDMONTON — Giant Yellowknife Gold Mines plan to start milling of gold by April, A. K. Muir, general manager of the company, has stated here. He said the initial tonnage will be determined by the amount of local power available in the Yellowknife district, but it is estimated early production will be in the neighborhood of 150 to 200 tons of ore daily. All equipment required for processing is now on company property.

Completion of the Federal government's new power development project at Snare River will enable Giant Yellowknife to increase its output to 300 tons daily, Miller said. This will later be increased to 500 tons daily, which will be the capacity of the present mill.

Board Appointed To Study Canso

OTTAWA—Transport Minister Chevrier, Premier Angus L. Macdonald, Premier of Nova Scotia, this week announced the personnel of the Board of Engineers to review the plans for betterment of transportation facilities at the Strait of Canso. Board members are:

Professor D. S. Ellis, Dean of Engineering, Queen's University, Kingston, Ont.

Dr. Arthur Surveyer, Consulting Engineer, Montreal.

Dr. P. L. Pratley, Consulting Engineer, Montreal.

The two former are appointed by the Dominion Government and the latter by Nova Scotia.

Eight Drills Testing Insco

Big Program Probing Area Underlying Lake Dufault

A total of eight heavy duty diamond drilling rigs are being utilized by Insco Mines in extensive probe of area underlying Lake Dufault, The Financial Post is informed. The program is expected to run for the next three months.

Drilling is being concentrated at three locations: (1) An anomaly on Island "B" in the north-east-central section of the property; along the Beauchastel fault; an anomaly along the Turcotte Lake fault located in the recently acquired Beaudelaire acreage.

Initial drilling of the Turcotte Lake fault is reported to have disclosed mineralized dalmationite, a chloritized rock which is favorable to the occurrence of sulphide replacement ore bodies. It is in the geological formation that the high-grade copper-zinc ore bodies of Waite-Amulet and Lac Dufault Mines occur two miles to the west along the fault.

The company has been using four drills on test of the fault with holes being carried to vertical depths of around 1,000 ft.

Insco's holdings have been increased to 64 claims through purchase of five claims adjoining to the northwest boundary and option to purchase of the Beaudelaire acreage of nine claims, also adjoining to the northwest. The new acreage is reported to contain strong geological potentialities, being traversed by the Lake Turcotte fault.

A. E. OSLER & CO.
Established 1886
STOCK BROKERS and FINANCIAL AGENTS
MEMBERS THE TORONTO STOCK EXCHANGE
OSLER BUILDING, 11 Jordan St. (cor. Melinda) TORONTO
ADelaide 2431 Cable Address RELSO

Hudson Bay Mining & Smelting Co., Limited

Producer of
COPPER, ZINC, GOLD, SILVER, CADMIUM, SELENIUM and TELLURIUM

Mine and Metallurgical Plants at
FLIN FLON, MANITOBA

Hydro Electric Plant at
ISLAND FALLS, SASKATCHEWAN

COMPANY REPORT

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

KIRKLAND LAKE GOLD MINING CO. showed an increase of almost 50% in production value to $1,613,857 in 1947, despite a lower price for gold. This reflected treatment of an exceptionally high grade of ore in the first half from a section encountered on the 53rd level. A total of 1,845 ft. was opened at this level in 1947 averaging $3.50 cut grade over 3.7 ft. Actual tonnage treated showed a slight decline to 91,172 tons.

Net profit of $364,417 realized during the year equalled 6.8 cents a share compared with 1.8 cents the preceding year.

At the end of 1947, a drift driven west from the No. 2 winze at the 5,850-ft. level had about 350 ft. to go to reach a position vertically below the east end of the ore zone on the 5,450-ft. level.

Proved ore reserves showed only a minor increase in tonnage, as noted below, but average gold content showed a sharp rise to $16.32 a ton from $14.23 a ton a year previous.

Operating costs, exclusive of taxes, showed an increase of $156,126 in 1947 compared with $97,084 in 1946, due to higher wage and other costs.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Gross production	$1,613,857	$1,094,837
Less: Oper. exps.	1,060,940	900,380
Taxes	118,893	35,310
Net oper. earn.	434,024	159,147
Add: Other inc.	5,452	14,735
Total net inc.	439,476	173,882
Less: Deprec.	75,059	79,494
Net profit	364,417	94,388
Less: Dividends	213,068	159,801
Surplus for year	151,349	*65,413
*Deficit.		
Earnings per Share:		
Earned	$0.068	$0.018
Paid	0.04	0.03

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & bullion	$615,574	$379,100
Bonds	17,128	60,558
Accts. rec.	4,731	2,223
Mine stores	196,869	145,780
Total curr. assets	834,302	587,661
Develop. acct.	551,103	551,103
Def. chgs., etc.	2,517	3,143
Other co. shs.▲	15,891	15,891
Mng. cls. & prop.	4,221,706	4,221,706
Plant & equip.*	417,557	431,372
Total assets	6,043,076	5,810,876
Total curr. liabs.	126,470	77,504
Capital stock	5,326,699	5,326,699
Surplus	589,907	406,673
*After depr. of	1,064,585	989,526
▲At cost less reserve.		
Working capital	707,832	510,157

OPERATING STATISTICS

	1947	1946
Tons milled	91,172	91,444
Average recovery	$17.70	$11.97
Ore reserves, tons	331,540	318,892
Grade ($35 gold)	$16.32	$14.23

Richmac Drill Cuts Into A Rich Parallel Zone

A new parallel ore zone has been located by Richmac Gold Mines, just to the south of its drift in recent exploratory drilling from the drift, The Financial Post is informed. After the securing of a value of $4.20 over a 4.5 ft. on the south contact, a parallel hole R-40, put out 40 ft. to the west returned an assay of $72.80 across a core width of 5.3 ft., it is stated.

A further hole is now being drilled 20 ft. west of R-40 and parallel to it to test the extension of the indicated zone.

Hudson's Bay Co. Plans Enlarge at Edmonton

From Our Own Correspondent

EDMONTON—Hudson's Bay Co., is to add another story to its department store in Edmonton, it is announced here. Work will start in the spring—should be completed in 1949, and will cost an estimated $500,000, H. S. A. Johnson, store manager, states. The extension will give the store a total of 192,000 square feet of floor space.

"The city has grown to such an extent as to make our present retail store capacity inadequate," Johnson said.

SIGMA MINES (QUEBEC) reports bullion production of $184,114 from treatment of 31,678 tons of ore, an average recovery of $5.81 in January ($158,065 from 27,241 tons and $5.80 recovery in January, 1947).

Sask. Production Sodium Sulphate Set Record in '47

REGINA — A record of more than 162,000 tons of sodium sulphate was produced from four recovery plants in Saskatchewan during 1947, W. James Bichan, Director of Mineral Resources reports. This exceeds by 31,000 tons the previous record year of 1942.

"It has been estimated," Mr. Bichan said, "that by the end of 1948, paper mills in the United States and Canada will be using more than 800,000 tons of sodium sulphate annually. This represents over 80% of the total North American industrial consumption of this mineral."

Sodium sulphate is used in the manufacture of brown paper corrugated packing boxes and similar paper products where high strength is required.

Pointing out that practically all sodium sulphate produced in Canada came from Saskatchewan, Mr. Bichan said the government-owned plant at Chaplin was expected to begin operations shortly, and that its output would provide a substantial boost to production in 1948.

MINING CONCENTRATES

NORPICK GOLD MINES Feb. 1 installment of 150,000 shares at 25 cents and each subsequent installment have been extended for three months.

• • •

CENTRAL PORCUPINE MINES has encountered difficulty in drilling first six holes due to fact that holes deviate from planned course. The sixth hole intersected three narrow sections of vein material but no important assays have been obtained. Attempts are now being made to drill a straight vertical hole and negotiations are continuing with Coniaurum officials toward having them explore the vein from their underground workings.

• • •

BEVCOURT GOLD MINES Feb. 1 installment of 90,000 shares at 75 cents a share, part of option on 900,000 shares to Anglo-Huronian, God's Lake Gold Mines and Osmond F. Howe, has not been exercised and agreement has been terminated. By Jan. 30 agreement with Anglo-Huronian, Rebe Holdings and S. Beverley Jowsey, 400,000 shares have been underwritten at 50 cents a share and 500,000 shares optioned at 75 cents a share.

• • •

LUCKY GIRL MINES plans carrying out drilling on a number of anomalies indicated in recent Hans Lundberg geophysical survey. A series of holes will be drilled through the ice to test the Milk Creek fault, major geological feature of the area and near which a previous hole cut $7 gold across 5 ft. Other holes in this section brought evidence of favorable mineralization over excellent lengths, company states.

• • •

ORLAC RED LAKE GOLD MINES has indicated a new ore zone by geophysical survey under supervision of Consulting Geologist R. A. Shaftford. The zone lies along northerly extension of presently known main ore body and appears to have an irregular area of about 400 ft. in length and up to 250 ft. in width. Diamond drilling is planned following completion of survey.

Edmonton City Wages $1 Million Over 1947

From Our Own Correspondent

EDMONTON—The City of Edmonton's payroll of $4,495,118 in 1947 set a record, nearly $1 million above 1946. Annual payroll in 1939 totalled $2,062,000.

Number of employees on salary averaged about 1,500 throughout the year.

Comptroller A. A. Campbell said salary raises did much to swell the totals during 1947. Effect of increases would be felt even more in 1948, as many pay increases did not become effective until late in 1947.

"Better than Ever"

Yes, Sweet Caps are better than ever. Why? Because of the exclusive scientific process known as "Perfection . . . Check √"—the process which checks every Sweet Cap you smoke, step by step, right from plantation to you . . . checks each one to ensure you cigarettes that are nothing short of perfect . . . in freshness . . . in smoothness . . . in taste.

Perfection... Check√

SWEET CAPORAL CIGARETTES

Dodge-Fafnir Ball Bearings

A properly designed and accurately manufactured ball bearing is a scientific achievement, far surpassing any other type of bearing in the reduction of friction. Fafnir Ball Bearings, designed and manufactured to rigid specifications, are being applied successfully to all types of mechanical high speed production equipment used by modern industry.

1. Type "SCS" Single Ball Bearing Hanger Unit for use with moderate loads.
2. Wide Inner Ring Bearing used in Standard housings. Self-locking collar assures positive location and grip.
3. Type "SA" single pillow block for general industrial service, also made in heavier duty construction.
4. Double Ball Bearing pillow block. Type "DSA", for heavier loads.
5. Mechani-Seal Flanged Bearing, specially sealed against dust and dirt, available in fractional sizes up to 2.
6. Floating Type Single "SAL" pillow block. Also made in fixed type for mounting in pairs.
7. "GLLB" unit for Mechani-Seal pillow blocks and flanged bearings.
8. Mechani-Seal Pillow Block, Light Series, Type "LAK", to 2 7/16" diameters.
9. Double Hanger Bearing, Type "D", for use in Dodge and Universal drop hangers.

710L

UNITED STEEL CORPORATION
TORONTO *Limited* MONTREAL
WINNIPEG • WELLAND • KIRKLAND LAKE
DODGE MANUFACTURING DIVISION
CANADIAN MEAD MORRISON

Are Canadian Golds 'Behind the Market?' U.K. Kaffirs Go Up, Our Golds Go Down

BY GORDON M. GRANT

Are Canadian golds "behind the market?" Are investors here making a big mistake in throwing overboard their gold stocks just now?

Since Jan. 22, when it started to become obvious that the French franc would be devalued, the London, England, index of kaffirs—South African gold stocks—has shown a marked rise. From 103.1 on Jan. 22, the index has risen to 114.4% on Feb. 10, an increase of 10.96%.

Market action of gold stocks in Canada is in marked contrast. On Jan. 22, index of golds on the Toronto Stock Exchange stood at 96.43. With devaluation of the franc it reached a high of 100.81 on Feb. 3, but has since dropped back to its Jan. 22 level for no gain.

In Canada, investors started throwing gold shares on the market this week. In the United Kingdom, gold stocks moved higher on Tuesday, are selling right up to their highest levels.

Why The Strength in U. K.?

Movements in the United Kingdom market have often been based on a much more realistic interpretation of facts than on this side of the Atlantic. Considerable speculation then arises as to the cause of the United Kingdom rise in golds.

Obviously, devaluation of the French franc and creation of a free market for gold in France were the two immediate factors which created the "bull market." While any intention of devaluing the pound sterling has been denied, the market for kaffirs has nevertheless continued strong.

While a Reuters dispatch early this week stated that gold was selling at $70 an ounce (U. S. funds) in France, this development was discounted in Canadian monetary circles as having no immediate effect on the operation of gold mines here. Long-term effects of the French move, however, could be different, it was thought.

Even if it were legal for Canadian gold mines to ship gold to France, this wouldn't mean that a gold mine could obtain $70 of U. S. funds for an ounce of gold, a Foreign Exchange Control Board official tells The Financial Post, explaining that only the equivalent in French francs would be received.

Gold mines for a time received more than $35 an ounce for some gold exported from the country in the form of concentrates but this is no longer the case. As a member of the International Monetary Fund, Canada is pledged to help stamp out the black market in gold. Efforts are definitely not being made to sell gold at higher black market prices.

U. K. Investors May Be Hedging

Buying of gold stocks in the United Kingdom may have arisen as a hedge against possible devaluation of the pound and further U. K. price inflation. If the pound should be devalued, of course, there is the collateral possibility that the Canadian dollar might also be devalued resulting in a legally higher market for gold here.

Perhaps as important as French devaluation is the sharp decline in commodity prices which has been a feature the past week.

Rising costs have reduced gold mining production and profits in Canada to the present much-reduced level. Rapidly falling commodity prices suggest the long upward trend of gold mining costs may soon be reversed.

With the manpower shortage practically a thing of the past, as far as gold mines are concerned, lower costs could easily set gold mines here on the recovery path, it is pointed out. The subsidy on gold mining would be a very valuable assistance if the recent upward trend in costs should just be arrested, the industry thinks.

Says $65 An Ounce "Right"

One gold mine which has not been shipping its gold output to Ottawa, hoping for a higher price for gold, is reported to consider that a proper Canadian price for gold should be $65 an ounce. This figure, it is stated, is arrived at on the basis of the amount of labor required to produce an ounce of gold. It is argued that there has been a very definite relationship between "labor cost" and value of gold in the past. The hope is voiced that these factors will come into "adjustment."

There undoubtedly has been a lot of wishful thinking in gold mining circles about a higher price. While there are apparently good long-term reasons for hoping for this, chances for recovery by the way of lower costs are perhaps brighter than hopes for a short-term higher gold price.

Vinray Values Are Improving

Samples of 19 Cars Taken From Raise Average $22.40

Extremely encouraging results are being secured by Vinray Malartic Mines in raising from first level to surface, The Financial Post is advised. Visible gold was encountered in a narrow quartz-carbonate stringer and the "A" zone at about 25 ft. vertically above the west drift back on the level.

Channel samples taken from the raise, resident engineer Dr. B. J. Keating states, gave: $18.90 across 2.0 ft.; $10.85 over 2.0 ft.; $3.85 across 1.5 ft.; $10.50 over 2.2 ft.; $5.25 across 1.5 ft.; and $29.75 across 3 ft. Samples from 19 cars are reported to have averaged $22.40.

Work on the west raise, 95 ft. from the shaft's first level crosscut, is advancing along an incline westerly toward hole 16. A 2-ft. slash taken out of the north wall exposed a dragfold or roll similar to that encountered in the 102 east raise, and occurring at about the same level of 19 ft. above the drift. There is a strong suggestion, Dr. Keating reports, that the roll is continuous between the two raises. The slash was taken out 5 ft. up the incline.

Slashing in south wall exposed a strong and well mineralized paystreak for a width of 2 ft., Dr. Keating adds. Specimens taken from the east wall showed some fine visible gold and another well mineralized paystreak.

Work on the drift itself, near the raise, encountered a narrow mineralized streak passing into the north wall, yielding $23.80 over 0.5 ft. It is thought the streak is the same as that occurring in the raise, north of the main vein. The advance along the east drift is 5 ft. east from the east wall slash, showing persistence of dragfold structure.

Queenston Plans Milling in 1949

Queenston Gold Mines has started drawing up plans for initial milling capacity of 500 tons daily and has set early 1949 as possible milling date, The Financial Post is informed.

The new production shaft has reached 400 ft. on way to objective of 1,000-ft. depth. Levels have been established at 250 and 400 ft. and when shaft has reached 600-ft. depth a crosscut will be run out from that horizon.

Highland-Bell Shows Increase in Earnings

Net profits of Highland-Bell totalled $66,200, or 4.23 cents a share in three months ended Dec. 31, 1947 ($34,315, or 2.19 cents a share in September quarter). The company shipped 1,664 tons of ore valued at $157,230 and containing 189,460 oz. of silver in last quarter (1,387 tons and $101,330 and 142,283 oz. in September quarter).

P. L. Clark has been appointed mine manager to succeed A. B. Staples. Prior to his association with Highland-Bell, Mr. Clark was underground superintendent at Island Mountain Mines and previously to that held the same position with Kirkland Lake Gold Mines.

Buffadison Ore Averages $21.35

West drift on the 810-ft. level at Buffadison Gold Mines has exposed 150-ft. length of vein averaging $21.35 cut grade across a 1-ft. width, The Financial Post is informed. Both ends are still open. The drive is advancing at the rate of about 12 ft. per day and regular daily assays are now being run.

Going east from the crosscut on the vein the first round exposed considerable free gold. In last face going west chip sampling gave 5.8 oz. gold, or $203. A drill hole put out north from the west drift has indicated a parallel vein, The Post is informed. At 100 ft. back of the face a drill hole out 30 ft. disclosed a 7.2-ft. section running 0.22 oz. Continuity of this vein is being checked by another hole being put down 50 ft. to the west.

Raising on the 522 vein from the fourth level, the first 30 ft. sampled, ran $20.30 over 3.5 ft.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

COCKSHUTT PLOW CO. net profit for the year ended Nov. 30, 1947, was double that of the previous year, due partly to a nonrecurring dividend of $117,151 from Cockshutt Moulded Aircraft since liquidated. Company sales were highest in history, exceeding the previous year by 55%, and four times higher than in 1939. The increase is attributable in large measure to the enlarged and more modern manufacturing facilities provided during the last year, it is stated.

The company is not yet able to satisfy heavy demands for products from both old and new connections, and export trade continues to be an important factor, it is stated. Shortage in raw materials continues, in a large measure, to contribute to inability to meet increased demands.

Increase in inventory of $3,130,000 reflects the expansion in the company's business. A further factor is the accumulation of unbalanced materials in these times of scarcity.

Sales outlook for 1948 is good, it is stated. Indications are that the company's manufacturing facilities will be taxed to capacity. With raw materials available in required quantities, a sizeable increase in output is expected.

Directors have decided that it is in the interests of shareholders to make no change in the dividend rate for the present. From earnings of 1947 a dividend of 25c a share will be paid on June 1, 1948, and a further 25c on Dec. 1, 1948.

CONS. INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net earnings	$1,857,561	$1,007,157
Add: Subs. divd.	117,151	......
Less: Int. on bk. loans	164,969	89,721
Bond int.	62,500	......
Depreciation	524,546	435,380
Inc. tax res.	510,037	165,118
Min. int.	......	6,734
Add: Profit on prop. sold	18,778	51,721
Net profit	781,438	361,925
Dividends	159,715	160,215
Surplus for year	571,723	201,710
Earnings per Share and Dividend Record:		
Earned	$2.30	$1.14
Paid	0.50	0.50

CONDENSED CONS. BALANCE SHEET[a]

As at Nov. 30:	1947	1946
Cash	$52,291	$98,662
Accts. rec.	1,689,668	747,057
Inventories	11,153,112	8,020,323
Total curr. assets	12,895,071	8,866,042
Invest. in subs.	......	31,699
Misc. assets▲	616,542	567,412
Fixed assets*	6,501,795	5,102,575
Total assets	20,013,408	14,567,728
Bank loan	3,102,000	1,745,000
Accts., tax, etc. pay.	2,791,255	2,195,261
Total curr. liab.	5,893,255	3,940,261
Funded debt	3,000,000	......
Conting. res.	1,250,000	1,250,000
Capital stock	6,542,644	6,524,644
Capital surplus	1,463,176	1,463,176
Surplus▲	1,864,333	1,389,647
*After depr. of	6,911,835	6,392,672
▲Incl. ref. EPT	396,354	385,124

[a]Includes Frost & Wood Co. and Brantford Coach & Body.

Working capital	7,001,816	4,925,781

COASTAL OILS net revenue from oil production increased $35,716 to $232,681 in year ended Sept. 30, 1947. After charging operating expenses, amortizing development expenses, writing-off depreciation and depletion, net profit was slightly higher at $4,558.

Company acquired an interest in 280 acres in the Leduc field and also an interest in a substantial block located in the Buffalo Lake district, close to Piccadilly Gold well, now testing the area.

The Shell Jumping Pound test to 14,443 ft. proved unproductive, but after acidization revealed a gas production potential comparable to first Shell gas producer in the area. The well was capped after completion as there is no market for this gas in the area at present time.

During the year the company's wholly owned subsidiaries, Baroils Ltd. and Chinook Oils Ltd. went into voluntary liquidation, with parent company taking over physical assets.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1947	1946
Production rev.	$232,681	$196,965
Add: Other income	6,928	5,757
Less: Royalties	66,541	53,081
Total revenue	173,068	149,641
Less: Production exps.	50,558	47,206
Adm. & gen. exps.	10,103	6,910
Loss on sale of equip.	......	......
Amort. dev. exp.	98,827	79,215
Deprec. of equip.	8,879	12,512
Depletion	143	116
Net profit & surplus	4,558	3,682

CONSOL. BALANCE SHEET

As at Sept. 30:	1947	1946
Cash and bds.	$130,355	$100,903
Accts. rec.	29,307	8,120
Deposits	2,030	30
Casing & equip.	8,112	404
Total curr. assets	169,804	109,457
Prepaid exp.	1,793	1,844
Rec. re Brown 6	......	6,640
Invests.	158,820	157,990
Production equip.	118,709	141,957
Devel. costs	859,882	853,694
Leases	279,316	255,829
Aband. wells exp.	191,681	143,603
Organ. exps.	8,216	9,571
Total assets	1,788,221	1,680,585
Total curr. liab.	7,743	8,986
Deprec. res.	88,998	84,605
Devel. res.	780,296	681,469
Depl. res.	56,886	56,743
Common stock	893,412	893,412
Capital surplus	6,302	5,343
Less: Oper. deficit	45,416	49,973
Working capital	162,061	100,471

PELLER BREWING CO. (Hamilton), net profit for the year ending Oct. 31, 1947—the first year of operation—was $179,976. As production has increased, the company has gradually expanded its sales areas and at present lines are being sold in Southern Ontario from Kingston to Windsor and as far north as Huntsville; and additional sales outlets are being entered in the area east of Kingston and toward Ottawa. Peller's Premium Stout is in production and will be on the market soon. Peller's Old Stock Ale is also being sold in Quebec and demand from this area is most encouraging, it is said.

First sales were made about the middle of December, 1946, so that the results reflect profits for only about 10 months' operations.

INCOME ACCOUNT

Year Ended Oct. 31:	1947
Net earnings	$381,778
Less: Depreciation	91,302
Income tax	110,500
Net profit	179,976
Less: Pref. divd.	31,625
Surplus for year	148,351
Earnings per Share and Dividend Record:	
Preferred	$7.83
Paid	1.37½
Common	0.63
None paid.	

CONDENSED BALANCE SHEET

As at Oct. 31:	1947	1946
Cash	$600	$9,806
Accts. rec.	81,873	2,140
Inventories	261,943	20,371
Total curr. assets	344,416	32,317
Misc. assets	41,097	31,133
Fixed assets*	898,059	811,259
Total assets	1,283,572	874,709
Bank loan	143,917	......
Accts., tax., etc., pay.	179,615	43,121
Total curr. liabs.	323,532	43,121
Deferred liab.	......	19,899
Capital stock	811,689	811,689
Earned surplus	148,351	......
*After depr. of	91,302	......
Working capital	20,884	▲10,804

▲Excess of curr. liabs. over curr. assets.

Lingman Lake Area Expecting Extensive Program This Year

Lingman Lake is likely to be a centre of prospecting next summer, current reports indicate.

With the taking in of 450 tons of supplies by tractor to the Lingman Lake mine almost completed, the mine-making program of Lingman Lake Gold Mines is being resumed. The present mine crew of 16 men is to be increased to 40, and the shaft is to be extended from 300 ft. to 425 ft. to permit opening of a new level at 400 ft.

If values are maintained there, the company will proceed with erection of a 225- to 250-ton mill next winter, a Winnipeg dispatch states.

Mining Corp. of Canada is reported planning an active exploration program on a group of claims to the west of the Lingman Lake property, and known as Seeber Lake Gold Mines. Teck-Exploration Co., wholly-owned subsidiary of Teck-Hughes Gold Mines, is also reported preparing for additional work on a large group of claims staked in 1947, to the southwest of Lingman Lake Gold Mines. This group is stated to be the scene of the latest gold discovery in the area.

Lingkey Gold Mines, whose property is located to the west of Lingman Lake Gold Mines, is also active. Dr. John Low, consulting geophysicist of Toronto, is now conducting a detailed geophysical survey on this property. Additional work, probably in the form of diamond drilling, is expected on conclusion of this work.

Quebec-Labrador Co. Outlines Field Work Program For 1948

Quebec-Labrador Development Co., whose shares are being called for trading on the Toronto Stock Exchange Feb. 13 (ticker abbreviation QLB), has now drawn up its 1948 field program.

Plans are being completed for placing a sizeable prospecting and geological party in the field for a reconnaissance and prospecting program in the 1,000-sq. mile concession which adjoins the Fort Chimo concession to the north.

The party will include a chief engineer, a chief geologist, and a chief prospector. Eight prospectors will be put in the field, and eight third-year geological students. A cook and a laborer are being provided and it is planned to enlist the services of six Indians at Fort McKenzie on the Kaniapiskau River.

Plans call for the entire concession to be traversed along parallel lines at suitable intervals as quickly as possible, after which operations will be directed to specific areas warranting concentrated attention. Use of aerial photography in conjunction with neighboring companies is being considered.

The treasury is stated to be assured of ample funds to complete the 1948 program and to continue work on into 1949. Cash on hand and available is stated to total approximately $149,000.

Authorized capital of the company is five million shares of which 2,016,671 have been issued. Of the latter, 1,321,666 are in escrow. The company was incorporated in January, 1947. Head office is 80 St. Peter St., Quebec, with executive offices at 100 Adelaide St. W., Toronto.

Norbenite Closes But Confirms Ore

Norbenite Malartic Mines reports to shareholders that lateral work and underground diamond drilling from a 540-ft. shaft has confirmed surface diamond drill indication of ore but that present market conditions preclude possibility of necessary financing for further work at this time.

Underground work is stated to have outlined 600,000 tons of ore, grading $6 a ton at $35 gold. This is regarded as sufficient to warrant installation of a mill of 500 tons daily capacity, when financial conditions will permit.

Over $700,000 has been spent to date on Norbenite. Of this amount, $180,000 represents cost of buildings, plant and equipment.

Regarding the proposed gold mining subsidy, the letter says: "This plan is for a three-year period and, with present shortage of materials, embargoes and controls, it is utterly impossible to build a mill and bring the property into production in time to benefit by the government plan."

Buldings and equipment are being kept intact and in good condition.

Don Cameron Expl. Co. Offers Shares at 30c

As forecast last week, Don Cameron Exploration Co. is making an offering of 800,000 of its treasury shares at 30c a share. Entire proceeds of the issue go to the company. Subscriptions are being received by Crown Trust Co., 302 Bay St., Toronto.

In the informational bulletin covering the share offer, the company details results at the Ennadai Lake discovery in 1947. Sufficient field work is stated to have been completed for placement of parties in areas "even more attractive and accessible from a prospecting point of view."

Authorized capital is three million shares, of which 1,093,548 are shown as outstanding.

Senator Drills Expanding Ore

Latest Hole at 2,325 Level Runs 0.424 oz. Over 20 ft.

Exploratory drilling from the station at the 2,325-ft. level of Senator-Rouyn continues to outline ore in the A zone, and the B ore zone is expected to be cut soon, The Financial Post is informed.

Four holes fanned out at this level have outlined the A ore zone for a length of about 130 ft. with the most easterly hole, No. 23-4, returning 0.424 oz. gold over 20 ft.

The No. 23-3 hole, the most westerly, returned two intersections: 0.173 oz. over 15 ft.; and 0.125 oz. over 5 ft. No. 23-1 hole, next to 23-3, gave 15 ft. averaging 0.183 oz. and 27.5 ft. averaging 0.096 oz. Included in the latter intersection was a 10-ft. section averaging 0.128 oz. gold and 7.5 ft. averaging 0.137 oz. gold. Hole No. 23-2 gave 95 ft. averaging 0.215 oz., including 40 ft. which averaged 0.34 oz.

Now Drilling to East

No. 23-5 hole is now being put out at the same level to intersect the projected easterly extension of A zone and to probe further on to be sure that there is no extension west of B ore zone beyond No. 2 east fault. This hole is expected to be about 350 ft. long.

No. 23-6 zone will also be drilled to the east to cut the downward extension of B ore zone. Lateral development can be started at this level, as soon as the ore pass from the pocket on the 2,400-ft. level is finished.

On the 2,025-ft. level, drifting is being resumed on B ore zone, where work stopped in ore a few days ago to allow stope preparation on A zone.

When drifting was suspended, a length of 90 ft. of ore had been opened up, averaging $11.52 a ton across a width of 6.4 ft. Ore was present in both walls, but full width of the ore will not be determined until lateral work is completed.

The company has been notified by the power company that effective Feb. 15, power kilowatt hour supply will be cut 10%. It is thought that the company can reduce its use of power by this amount without losing any production, since the cut is not in the peak use. The critical period is expected to last 80 days, or until the spring break-up.

Dr. Camsell Speaks At C.I.M.M. Dinner

Dr. Charles Camsell, president of the Canadian Institute of Mining and Metallurgy, will be guest speaker at dinner meeting of the Toronto branch at Royal York Hotel, Feb. 19. Provision is being made to take care of a record attendance.

The Toronto branch is also sponsoring a meeting of the Mining and Metallurgy Club, University of Toronto, Ajax Division, at Ajax, Feb. 24 at 7.30 p.m. Short talks will be presented by: R. A. Bryce on "Field of Mining"; D. R. Derry on "Field of Geology"; and W. B. Hubler on "Field of Metallurgy."

We'll Help You Keep That Plant Running

An insurance policy by itself won't keep your power plant and boilers running in safe condition. But our inspections—which accompany the insurance afforded by this Company—can help you with that job.

Our experts are trained in the exacting work to which we assign them. And they are available, too, for aiding policyholders in times of emergency.

Ask your broker or agent.

The Boiler Inspection and Insurance Co. of Canada

Canada's Most Versatile Tanners

FINE sheep and goat leathers.. fancy and embossed leathers, Shearlings, dyed lamb and Mouton Fur.

DONNELL & MUDGE Limited

NEW TORONTO

DISTRIBUTOR—FRED'K WHITLEY & CO. MONTREAL

NEWS FOR MANUFACTURERS

No matter what your finishing problems may be, we believe we can help you.

STURGEONS LIMITED

Industrial Paint Specialists

Toronto 8 HA 2133

BULL DOG GUMMED for EXTRA SECURITY!

GLOBE ENVELOPES LIMITED

Makers of Bull Dog Gummed Envelopes

Montreal Ottawa TORONTO Winnipeg Vancouver

FOR MEN WHO MAKE DECISIONS..

These books are a "must" for decision-making men. If you are a business or investment planner, you will want to add them to your library.

Fill in coupon and mail today.

The Financial Post, 481 University Ave., Toronto 2, Ont.

Please Reserve For Us:

......SURVEY OF MINES .... at $2
1948 edition — Ready now

......SURVEY OF OILS .... at $1
1948 edition — Ready soon

We enclose $........ in payment.

Company

Attention of

Street Address

City and Province

G-18

Devalued Franc a Threat to Sterling? Bevin's 'West Europe Union' a Riddle

LONDON—France, although it is hard to realize the fact, is only three hours by boat and train from London; nearer, that is, than Manchester. True, for more than four years, Calais was infinitely farther away than Toronto. One of the most impressive moments of my life was on a summer morning in 1944 when I stood on the white cliffs of Dover looking across at the French coast for the first time in four years, beset with as wild a surmise as ever baffled stout Cortes on a cliff in Darien.

But France remains complementary to Britain, our link with the Continent of Europe, a two-way influence on our thought, our art, our way of life. Nothing that ever happens in France leaves Britain unaffected and nothing that happens in France is ever dull. Inevitably the French decision to devalue the franc has set people talking, though very few of the talkers (and I am not among that few) have the faintest notion how that devaluation will work out.

Most people think in terms of a cheaper holiday, although this is also largely a difference in theory rather than in fact, as British tourists have been getting 800 more often than 400 francs for their pound, ever since the war stopped.

• • •

The ultimate effects of the devaluation are more serious, of course. The danger is not that France will undersell us in world markets, for our exports are not the same as hers; but rather, that people may buy their dollars more cheaply in Paris than in London, and so upset the value of sterling in terms of the dollar and make the necessities which we import from across the Atlantic, more expensive than they are already. It is too soon to prophesy the effect that this is going to have on our economy. That does not, of course, prevent people from prophesying; in fact, France's devaluation has been the main topic of our talk.

There is not much disposition to blame the French. British people are usually fair-minded, save in the immediate stress of war, and they remember vividly the days when our own departure from the gold standard came as a yet greater shock to our neighbors beyond the Channel than their devaluation of the dollar is to us. As always, the countries of the British Commonwealth, which becomes more and more apparent as the principal hope of the free world, have impressed opinion here by their rally to save the pound.

• • •

Bevin's Plea for Union Revives Tunnel Project

But, however much people sympathize with the French who had no alternative perhaps, with pounds selling at twice the official rate on the parallel market—as it is politely called—the thing has happened at an unfortunate moment. It followed Mr. Bevin's nebulous but unmistakable speech in favor of a West European Union. Exactly what is meant by a West European Union remains as vague as the aim of people who used to say that they wanted Empire Free Trade and then Empire Protection and then Empire Economic Union. Whether the Western Group is to have a military alliance, or a common currency, or a customs union, or all three, nobody seems to know.

The idea of a common currency is very attractive. It is obviously idiotic to keep the eighteenth century political barriers in this age of aeroplanes and atom bombs. But nobody, and Mr. Bevin least of all, seems to have any clear idea of what he proposes to do about it.

With Western Union in the air and talk of 800 francs to the pound, we have been hearing again about a Channel tunnel. At present it takes at least an hour—and when you reckon the time spent in changing about between boats and trains, at least two hours—to cross the narrow seas; and it is about the most uncomfortable crossing you can imagine. With a tunnel under the Straits of Dover the whole thing could be done in 20 minutes.

We have been talking about it for 80 years. The experts are divided about the military objections but the psychological objections are very strong indeed. The history of Britain, the history of the world, was determined by that twenty miles of water between Calais and Dover in the summer of 1940. It creates a comfortable sense of isolation (or should I say insulation) among us, keeps away the neuroses which affect Continental Europe and generally helps us to preserve the unimaginative equanimity which has been our salvation.

• • •

Once, before the war, when serious storms had interrupted the cross-Channel service, a London newspaper bore the banner headline "Continent Isolated" and no one seemed to think it funny. During the war it was common to hear that every day the Channel (which we naturally call the English Channel, though nobody else does) was getting wider and wider and the Atlantic was getting narrower and narrower.

Today the Channel makes a difference in atmosphere which I can best describe by saying that while anybody you meet in France will give you a black market rate for a pound, anyone who was offered a dollar in London would not have the slightest notion what to ask for it nor what to do with it. Some of us feel that this difference in atmosphere and outlook, a purely psychological factor, would be destroyed if our sense of remoteness, imaginary though it be, were once shattered by the existence of a Channel tunnel.

Mr. Bevin tells us that his ideal is to go to Victoria Station and book a ticket for where he pleases, without the display of passports and permits. But to go to Victoria Station and see a train labelled London, Calais, Paris, Trieste, Constantinople would be an uncomfortable shock for most Englishmen, which explains why we have been talking about Channel tunnels for 80 years without getting any farther.

Anyhow we are likely to be allowed over this Channel again in March and the Government hopes that we won't take our cars with us. While petrol cost 5/- a gallon in France, we were not likely to do so; but of course this new rate alters things. So our rulers hate the idea of anybody enjoying, in France, the delight of a motor drive that he is denied in England.

• • •

Doctors' Resistance Headache to Socialists

One paper asks how far this principle is to go. Are we to be confined abroad to the drear diet that we have at home? Must we not hear an orchestra in Brussels which might be better than one we could discover in London? These matters of principle are a headache for our Government, which is having many headaches.

Headache number one is with the doctors, who look likely to vote a two-thirds majority which will make the British Medical Association reject the State Health scheme and refuse to work it. London specialists turned down the idea of co-operating by 700 to 11.

Most British doctors are members of the British Medical Association which is non-political. But there are about 3,000 in another body called the Medical Practitioners' Union which is said to have Socialist leanings and has voted 17-3 in its general council, to co-operate with the Government. But it is questionable whether the Council represents the Union. One branch in the North 18 strong, has seceded in a body. And when the national secretary tried to take the chair at a Manchester meeting, the chairman of the local branch, who opposes the Government scheme, tried to oust him from the chair, which both appear to have taken at the same time.

• • •

A piece of irony reflected in the Sunday Observer (Independent) has caused something of a shock in London. The Observer published, over an article on the mines, the picture of what is called the typical miner. The office was flooded with requests for a copy including one from a writer who explained that the photograph was of her husband who lay dangerously ill with silicosis, a disease due to coal dust.

HUGH W. PRICE

appointed vice-president and manager of the Ontario division, P. N. Soden & Co. Ltd.

Expect New Shares Soon For West Can. Hydro Plan

The distribution of the new shares of Okanagan Valley Telephone Co. and of Elk Creek Waterworks Co. to the preferred shareholders of West Canadian Hydro-Electric Corp. in accordance with the reorganization plan is expected before the Feb. 28 deadline set for the plan, The Financial Post understands.

Financing for the Elk Creek Waterworks Co. was completed last month while that of the Okanagan Valley Telephone Co. is announced this week.

Under the plan the holder of each of the 53,810 preferred shares no-par value of West Canadian Hydro-Electric would receive the following:

(a) One share Okanagan Valley Telephone Co. 4% cumulative preferred par $10.

(b) One share Okanagan Valley Telephone Co. no-par value common (covered by voting trust certificate).

(c) One share Elk Creek Waterworks Co. no-par value common.

Holders of West Canadian Hydro-Electric common would be entitled to all the remaining assets after the settlement with the preferred shareholders. (For plan see The Financial Post, Jan. 24.)

The new bond issue announced this week of the telephone company is on the Okanagan Telephone Co., the operating concern. Okanagan Valley Telephone Co., the holding company, holds all the outstanding common shares of the operating company. It is the holding company's preferred and common shares which are being issued to the preferred shareholders of West Canadian Hydro-Electric Corp.

The reason for this setup is that the operating company Okanagan Telephone Co. operates under an old provincial charter which made it quite difficult and impractical to change its capitalization, so that its shares could be distributed directly to the preferred shareholders of the West Canadian Hydro, The Financial Post is told. Therefore the holding company was formed with a capitalization which permitted easy distribution to preferred shareholders of West Canadian Hydro.

Position of Hydro's common shareholders will depend on settlement of the claim against the B. C. Power Commission. West Canadian Hydro-Electric Corp. has an appeal in good standing before the courts from the findings of the Government's own appraisal firm, American Appraisal Co., in which it claims a substantially higher valuation, The Post is told. There is some doubt, however, as to whether the B. C.'s Power Commission did appeal from the findings of their own appraisers and so far the courts in British Columbia have ruled that their appeal was not entered in time, The Post is told. The Government has now carried this case to the Privy Council in London.

"Should the Privy Council uphold the British Columbia courts, then I assume the company will have the alternative of accepting the valuation of the American Appraisal Co. or carrying through with their appeal for a larger amount," F. A. Sherrin of Pemberton & Son Vancouver Ltd. states. On the other hand, should the Privy Council reverse the decision, then the Government's appeal and company's appeal will go ahead in the courts here, unless some mutually satisfactory settlement is being decided upon."

Both the Okanagan Telephone Co. and the Elk Creek Waterworks Co. are doing well and a substantial program for improvements and extensions is already planned for this year, Mr. Sherrin states.

CONSOLIDATED CENTRAL CADILLAC MINES has granted extension to March 10 to Dunlo Investors on balance of 32,000 shares of the 150,000 shares at 20 cents per share which were to have been lifted by Feb. 3. Extension does not affect options upon either blocks which include 100,000 at 25, 100,000 at 30 and 95,000 shares at 40 cents. Issued capital—3,697,900 shares.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BELL TELEPHONE CO. 1947 net profit was up 17.2%. Gross revenue increased by 11%, but operating expenses were 16.6% higher than in 1946. The net increase of 129,051 telephones, greatest gain in the company's history, brought the year-end total in service in Quebec and Ontario to 1,306,975. Despite this, waiting applicants at year end totalled 94,000.

Local service revenue was up 9% at $51,597,751 and long distance revenue up 9.6% at $29,255,278; miscellaneous revenue of $5,713,457 was up 42.6%. New construction at a cost of $53,600,000 compared with $29 millions in 1946. Investment in capital at year end amounted to $327,159,393.

In Dec., 1947, an application was made to the Parliament of Canada for permission to increase authorized capital stock from $150 millions to $500 millions. This application will be dealt with at the present session of Parliament.

Number of shareholders increased by 5,599 to a total of 34,439. This was the greatest increase in any year and the largest total ever recorded. Shareholders living in Canada number 33,013 or 95.9% of the total. They hold 80.3% of the stock as compared with 76.6% in 1946. American Telephone holds 14.8% as compared with 18% a year ago.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net income	$31,815,985	$31,940,152
Less: Deprec.	11,486,980	10,425,072
Bond int.	3,151,496	3,211,067
Other int.	279,258	203,729
Disc. & exp.	•18,881	6,076
Amort. bd. disc.	258,480	150,426
Other charges	......	102,412
Inc. taxes	6,957,000	9,567,000
Net profit	9,701,652	8,274,370
Less: Divds.	8,821,633	7,299,118
Surplus for year	880,019	2975,252

•Credit.

Times Bd. Int. Earn.‡	6.36	6.43

‡Incl. other charges, after deprec. & other int.

Earnings per Share and Dividend Record:

Common*	$8.80	$9.07
Paid	8.00	8.00

*Based on average no. shs. o/s during year.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$844,437	$641,271
Investments†	5,336,874	9,193,850
Accts. rec.	9,309,214	7,408,584
Inventories	9,151,187	5,913,113
Total curr. assets	24,641,712	23,156,818
Invest. secs.▲	22,377,766	21,767,596
Def. debits	5,072,502	2,984,558
Fixed assets	327,159,393	278,472,885
Total assets	379,251,373	326,381,857
Accts. & tax. pay.	15,257,954	10,645,569
Other curr. liab.	5,508,367	4,568,967
Total curr. liab.	20,766,321	15,214,536
Def. credits	5,951,960	3,246,784
Funded debt	81,065,104	76,684,082
Deprec. res.	108,691,478	99,949,293
Capital stock	126,591,710	104,439,864
Cap. stk. prem.	23,969,859	15,388,254
Cap. surplus	2,416,765	2,544,500
Earned surp.▲	9,798,156	8,914,544
†Market value	5,336,756	9,197,892
▲Incl. ref. EPT	6,506,813	6,506,813
Working capital	3,875,391	7,942,282

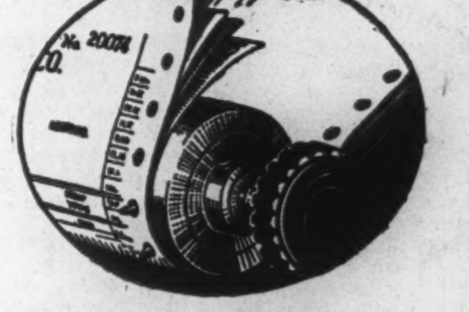
Horsemeat Plants Business Is Brisk

From Our Own Correspondent

REGINA — The Horse Cooperative Marketing Association, with plants at Swift Current, Sask., and Edmonton, Alta., has sold products totalling $7 millions in the two years since it was organized.

Some 100,000 surplus horses have been removed from prairie pastures, and their owners have received $2.7 millions in initial payments. The two plants, valued at over $1 million, and both free of debt, employ 400 persons. They are running two shifts, handling an average of 1,500 horses per week.

CREATORS OF CONTINUOUS FORMS AND RECORDS



A SECRET TO SAVINGS . . .

Simplified office routines with complete records to control the functions of business, is the objective and the RESULT of every Crain system.

Kant-Slip continuous forms used over the exclusive Registrator Pinwheel Platen, cut operating costs to a minimum. The positive feed, precise alignment and exact registration on multiple copies, means added speed without extra cost, in producing vital records over all modern business machines.

R. L. CRAIN LIMITED

OTTAWA CANADA

Branches in Principal Cities

Associated with The Standard Register Company Dayton Ohio

Take a Look at DACK'S NEWEST

THE "ALBION"

The "Albion" model has weather-defiant heavy soles and caulk insert welts. Uppers of finely patterned brown grain, also brown or black calfskin.

This distinguished shoe is steeped in Dack's century-old traditions. Master hands have given it regal appearance. Dack's exclusive custom lasts, perfected through generations of experience, have moulded it to perfect foot-fitting comfort. And the finest of seasoned leathers ensure long wear and true value.

Dack's SHOES FOR MEN

D518

SHOPS OR AGENCIES IN PRINCIPAL CITIES

Yesterday's Best Must Be Bettered Today

Such is the maxim of the Celanese* research staff.

It is the every day job of the Celanese synthetic textile chemists to seek out the best of today's textile products and find out in what respect they fail to satisfy the ideal requirements—then it is their job to synthesize a new and better product for tomorrow.

Take your summer suit for instance and the crease in the pants in particular.

How quickly the crease disappears—how soon the knees bag—how often a suit has to go to be pressed.

With microscope—with spectroscope—with apparatus specially designed for the particular investigation the Celanese chemists study WHY.

AND WHEN THEY HAVE DISCOVERED WHY they ask themselves what property the ideal synthetic fabric must possess to HOLD THAT CREASE.

THE ANSWER TO THAT ONE WAS THERMOPLASTICITY—just the right amount of Thermoplasticity. Thermoplasticity—the property which allows the fibres of a fabric to be permanently bent by the application of heat and pressure.

It's a long haul from the discovery that the textile fibre must be thermoplastic to the manufacture in quantity of just the right fibres, yarns and fabrics to give commercial production of the ideal product—and, of course, there is a lot more in it than just thermoplasticity—the engineers combine with chemists and technicians—a new plant is built—and out of it is born the new Celanese summer suiting fabrics—the product for trousers that hold their crease through the hottest, stickiest day of mid-summer—the fabric which will not muss up—the fabric to make a suit which will come off the hanger in the morning as fresh as if it had just come back from the valet.

Celanese Men's Wear fabrics join the ranks of Celanese successes, Celanese Linings—Celanese Dress Fabrics—Celanese Draperies, Celanese Chemicals—Celanese Plastics.

And still the Celanese research men say

Yesterday's [illegible] t be bettered today.

Celanese* textiles chemicals plastics

*Reg. Can. Pat. Off.

CANADIAN CELANESE LIMITED

Plants at Drummondville and Sorel, Quebec

The Financial Post

Vol. XLII | Member of Audit Bureau of Circulations | Publication Office: Toronto, February 14, 1948 | Fifteen Cents an Issue, Five Dollars a Year | No. 7

Quebec Looks to Future With Power

Here's How Hydro-Electric Expansion Covers Province

By HOWARD GAMBLE

Electrical power behind expanding production has exploded the Quebec "myth."

According to that myth, Quebec is a rural market, a province of the habitant with his parcel of land along the St. Lawrence.

Actually, here's what has happened:

Last year the province's 5.8 million horsepower helped turn out manufactured products to the tune of about $3 billions. It produced half of the country's pulp and paper products, all of its raw aluminum, three-quarters of the cotton yarn and cloth, 65% of women's factory clothing, 65% of the leather boots and shoes, 55% of men's factory clothing and railway rolling stock, practically all of the asbestos. Out of the estimated $4.7 billions of total gross value of production roughly 70% was represented by manufactured products.

Out of a total population of around 3.7 millions only 1.2 million or about one-third live on farms. In so-called rural Quebec there are fewer farmers than in "industrial" Ontario.

Industrial Quebec is not the product of chance or design but of electric power. Until recent years industry in the province has grown without the stimulus of planning or active encouragement. Logically enough, however, industry has migrated to the province which has the greatest installed and potential power capacity in Canada.

What of the future? Here again electric power is likely to hold the key. Even with the almost 6 million developed horsepower there is still more undeveloped hydro-electric energy. This is one reason why many expect Quebec will be the cradle of a new and greater Canadian industrial expansion in the second-half of this century.

President James Wilson, Shawinigan Water and Power Co., lists Quebec's power advantages and their results this way:

ADVANTAGE	RESULT
(a) Resources and reserves of hydro-electric power are greater, better located than elsewhere in Canada or United States.	There need be no interruption in the increase in the use of electrical energy in the province.
(b) Reserves can be harnessed without interprovincial or international complications.	Future power requirements can be met without extraterritorial intervention.
(c) Power in Quebec is sold at the lowest average receipt per kilowatt-hour on the continent.	Unprecedented increase in demand for electrical energy for home, farm, store and factory.
(d) Quebec has the highest per capita hydro-electric development of any place in the world.	Rapid industrialization based on guarantees of cheap power.

In 1948 a start will be made on the foundation for this new growth. And as in the past generators, tail races and dams will form the cornerstones. Probably the best method of plotting the route which the industrial advance is likely to take is to pinpoint the projected power developments (see map). Here is an outline of some of the more important ones:

Beauharnois—Last year Quebec Hydro-Electric Commission announced that in 1948 work would commence on a $40-million project which would ultimately add another 600,000 hp to the Beauharnois development on the St. Lawrence near Montreal. When completed it would give Beauharnois a total installed capacity of 1,250,000 hp. After construction of the bulkhead, power house, tail race, etc. the initial installation will likely be six generators representing an installed capacity of 300,000 hp.

In addition another 50,000 hp generator is expected to be in operation in No. 1 section of Beauharnois this fall. This will complete the installation in the No. 1 section.

When the Beauharnois project was first built it was envisioned as part of the St. Lawrence Seaway. Provision has been made in the Beauharnois Canal for a navigation channel 600 ft. wide and 27 ft. deep below low water. Also in the construction of the bridge provision has been made for a future lift span to permit the passage of ships.

Rapide No. 7—Quebec Hydro is presently installing a fourth unit of 16,000 hp at this plant on the Upper Ottawa northwest of Gatineau, Que. and 40 miles south of Cadillac. Construction of a storage dam at Lake Dozois will afford better regulation of the flow of the Ottawa River and permit greater production at Rapide No. 7.

Rapide La Trenche—Shawinigan Water & Power Co. has earmarked $5 millions in 1948-49 for initial construction work at the La Trenche project on the St. Maurice River designed to have an ultimate installed turbine capacity of 384,000 hp. Estimated completed cost of this development is $30 millions.

Shawinigan Falls—Shawinigan Water & Power Co. made favorable progress on the construction of its new development of 195,000 hp at Shawinigan Falls, St. Maurice River, and it is scheduled for commercial operation in 1948.

Ungava—Ungava Power Co. last year applied to the Quebec Legislature for permission to build a power plant on the Kaniapiskau River in New Quebec. Exact location and size of the development will not be determined until company engineers have tested water supply in the river system. It is likely to produce in the neighborhood of 350,000 to 385,000 hp. This development will aid in the opening up and development of iron deposits in Ungava and Labrador.

Bryson—Gatineau Power Co. will install a new power generator at its Bryson plant which will add 27,000 hp. Estimated cost of the installation is put at $1 million. This generator will be added to the two 25,000 hp generators already installed but is not likely to be in operation until late 1949.

Farmers Rapids—Last spring Gatineau Power completed the installation of the fifth and final unit of 24,000 hp in this plant.

Quinze River—Northern Quebec Power Co. in selling $8.8 millions of bonds and preferred stock last year stated that $3,817,000 would be required to defray the cost of increasing the capacity at its Quinze River development at Ka-Ka-Ke Falls. This development has a combined capacity of 60,000 hp of which 40,000 hp is installed.

Metis River—Lower St. Lawrence Power Co. completed construction of its 6,000 hp plant on the lower Metis River and it was placed in operation last October.

What's ahead for Quebec?

Power and raw materials are the basic ingredients of industry. Quebec has the raw materials — minerals and forest products. In this article, a Financial Post staff writer tells of the projects under way and contemplated which will harness the province's rivers, make its hydro-electric power more readily available to industry of every type.

Catching up with demand, looking ahead, the power picture is bright for Quebec.

Each of these new power developments means increased industrial activity in the area served, and increased efficiency on the farm. When all are completed the above installations will represent in the neighborhood of 1.5 million additional horsepower and will boost the province's hydro-electric installed capacity to over 7 million horsepower. But even with this there will be still approximately the same amount of undeveloped power. No one can accurately forecast what this power potential will mean to Quebec in the future but it is worthwhile to note what the developed power has already done for the Quebec economy. Here are some of the 1947 results of power development in the areas served by the major power companies:

Montreal—This is the area served by Beauharnois plant and other installations formerly owned by Montreal Light Heat & Power now taken over by Quebec Hydro-Electric Commission. Industrial building contracts were down slightly from 1946 but still totalled $27 millions for the 11-month period in 1947. During the first ten months 75 new industries representing a capital expenditure of $25,000 or more each located in the city. Of these 32 involved an investment in excess of $100,000.

During the year McColl-Frontenac Oil Co. announced the construction of a new refinery in Montreal East to cost an estimated $10 millions. Canadair Ltd., Canada's largest aircraft plant, at Cartierville continued to turn out "North Stars" for TCA and the RCAF and developed its own Canadair 4 which it hopes to sell to foreign customers. Canadian Car & Foundry Co. and Canadian Northern Electric continued with their plant expansions. Montreal Locomotive turned out to be a big earner of U. S. dollars through the sale of locomotives to foreign buyers. Robt. Mitchell Co. completed its contract for the anodizing of aluminum facings for the new Laurentian Hotel. This electrical process coats the aluminum and increases its resistance to corrosion and weather conditions.

In general Montreal continued its development as a diversified industrial centre with the accent on heavy industry and industries which serve them.

Gatineau Power Co.—Biggest news in the area served by this company in 1947 was the announcement by Commercial Alcohols that it was constructing $2 millions industrial alcohol plant using the waste sulphite liquor from Canadian International Paper Co.'s Gatineau plant. In addition it plans to move its magnesia insulating division to this area once the alcohol plant is in operation. This development is a direct outgrowth of the pulp and paper industry which is the biggest single user of power in Canada. Alcohol production by this method may save as much as $1.5 million U. S. dollars yearly, it is estimated.

Shawinigan Water & Power Co.—Power supplied by this company serves the three big pulp and paper companies at Three Rivers and Cap de Madeleine, Consolidated Paper, St. Lawrence Paper Mills and Canadian International Paper Co. Output from these companies reached record levels in 1947. At Cap de Madeleine Dominion Foils has announced that it is commencing production of many new aluminum and lead foil products.

At Shawinigan Falls electric power has played an important part in the development and growth of the plastics industry. Here is located a plant of Canadian Industries Ltd. and Canadian Resins & Chemicals.

Saguenay Power Co.—This company with a 540,000 hp plant at Isle Maligne serves Aluminum Co. of Can. and pulp and paper companies including Price Bros., Consolidated Paper and Lake St. John Power & Paper Co. Power from this company's plant is an important factor in the U. S. dollar earnings of both the aluminum and pulp and paper industries.

Quebec Power Co.—Serving Quebec City power supplied by this company was an important factor in drawing new industry to the city in the postwar period. Most important single development during the past year was the sale of all industrial space in the St. Malo area to 21 industries representing an invested capital of close to $5 millions. Quebec's big boot and shoe industry also relies heavily on electric power.

Lower St. Lawrence Power Co.—Serving the important rural and fishing district on the lower St. Lawrence and Matapedia Valley, power from this company's plants is increasing agricultural efficiency in this area.

St. Maurice Power Corp. is another company whose power output is an important factor in the country's pulp and paper industry. Brown Corp., and Shawinigan Water & Power Co. both purchase power from this company's La Tuque plant.

Southern Canada Power Co. serves more than 200 towns and communities in Quebec's important eastern townships. Electrical power serves several large textile mills in this area. At St. Johns the Singer Sewing Machine Co. is said to be producing electric motors which were formerly imported from United States.

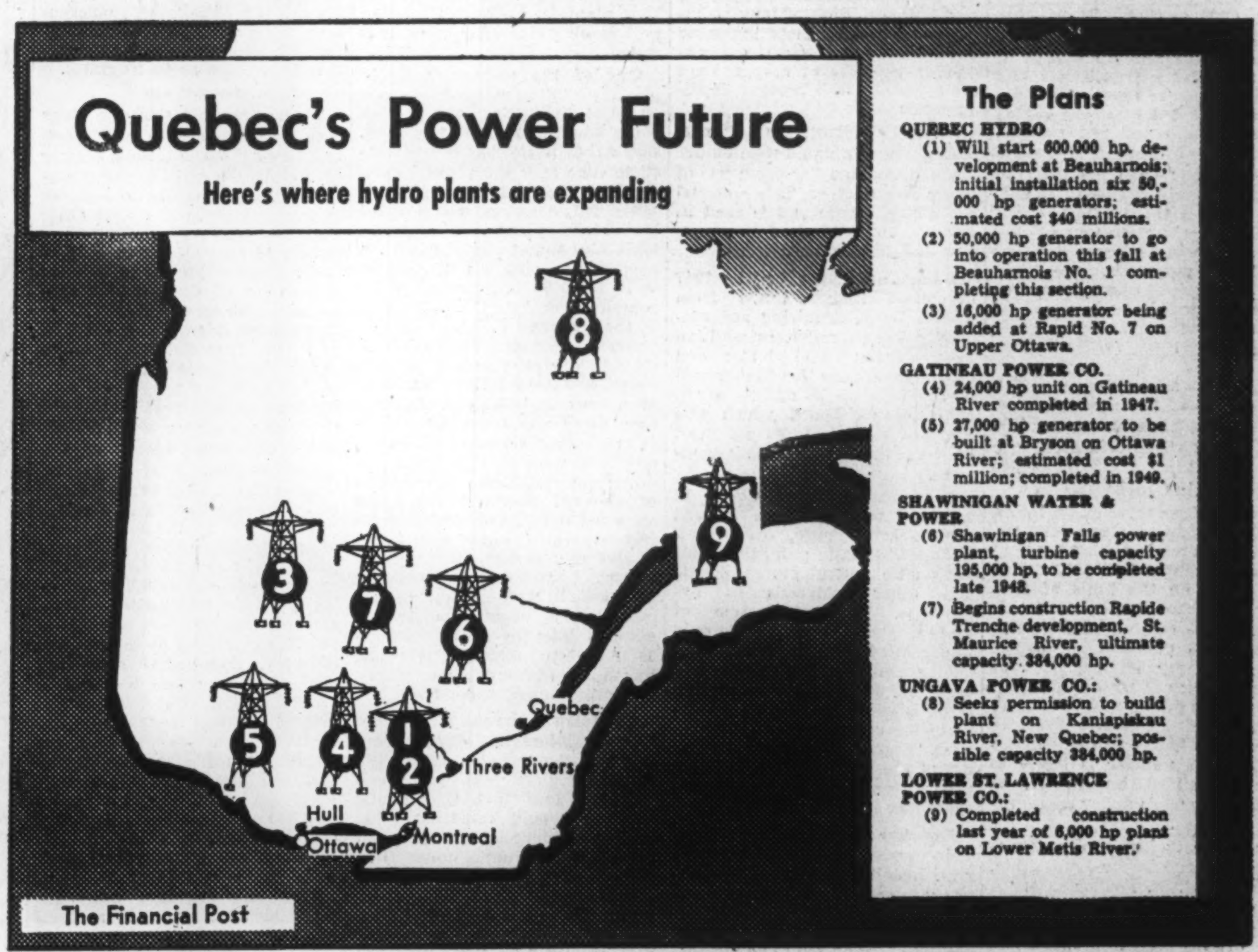
Maclaren-Quebec Power Co. with a combined installed turbine capacity of 258,500 hp sells a substantial part of its output to the James Maclaren Co. paper mill. This company along with the rest of the pulp and paper industry operated at capacity throughout 1947.

Northern Quebec Power Co. serves northwestern Quebec's mining industry. Companies in this area have not been idle and developments in the area indicate that power expansion will be required.

Aluminum Co. of Canada at its two Shipshaw plants at Arvida owns a total of approximately 1.5 million hp of installed capacity. This is the power which operates Canada's Aluminum industry. It is estimated that 1947 production of aluminum will approximate 300,000 tons. Also early in 1947 a new magnesium plant with an annual capacity of 1,000 tons was placed in operation. A caustic soda plant was also reported to have been put into operation last year by Alcan at Arvida.

Brief as this glance at Quebec's major power producers has been it is enough to tell just about the whole story of Quebec's industrial growth. There is virtually no industry in the province which could have reached its present stature without cheap and plentiful power.

Right now all eyes are focused on the Quebec-Labrador iron deposits. Shrewd observers are also taking note of the electrical power potential both in the iron-ore area itself and farther south on the St. Maurice and Saguenay Rivers systems. What will this mean to the province? Will the Quebec hinterland replace the Great Lakes as the centre of the continent's iron and steel industry? It is still too early to know, but Quebec has the power for just about any job put to it.



Here Are Major Quebec Projects

Quebec is contributing on a major scale to the new Canadian lineup of plant expansion projects which appear to offer better than even chances of saving or earning U. S. dollars if allowed to proceed under Trade Minister Howe's import restrictions designed to curb spending on U. S. machinery, steel and several other key materials.

Listed here are some of the more important industrial development projects in Quebec promising to add to the nation's economic strength and economic independence. Most promise to decrease our dependence on outside supply and in some cases to increase our capacity to export.

This list is representative but not complete. It deals only with new plants and expansion projects costing for building and equipment $200,000 and over. Many of the projects involve millions. The list includes:

(a) Projects definitely planned and in most cases expected to proceed shortly;

(b) Projects now under way;

(c) Projects completed in the latter part of 1947.

Here Are Projects In Planning Stage

Work is yet to start on these, some of Quebec's major expansion projects apparently offering best promise of dollar saving or earning for Canada. Many have plans ready to start building. The list is representative rather than complete.

Aluminum Co. of Canada, Arvida, chlorine, caustic soda (18,000 tons a year).

Aluminum Co. of Canada, Shawinigan Falls, aluminum wire and cable (4,000 tons a year).

American Locomotive's Montreal Locomotive Works, Montreal, Diesel-electric locomotives.

American Zinc, Lead & Smelting, Arvida, zinc, sulphuric acid (zinc 100 tons a day; acid 70,000 tons a year).

British American Oil, Montreal East, gasoline, oils (20,000 barrels a day).

Hollinger Consolidated Gold's Hollinger North Shore Exploration, Ungava (Quebec-Labrador), iron ore, etc.

National Lead's Canadian Titanium Pigments, Cap de la Madeleine, titanium dioxide.

Pyrenees Fuel & Solvent, location undecided, chemicals from wood waste.

Standard Chemicals, Montreal East, product unannounced.

Ventures Ltd., Arvida, lead.

Here Are Projects Under Construction

These are among big new plant or expansion jobs actually under way, representing Quebec's next coming productive capacity. Many hold promise of either earning U. S. dollars or cutting Canada's U. S. dollar spending.

Asbestos Corp., Thetford Mines, asbestos.

Bell Telephone's Northern Electric, Lachine, electric wire and cable.

Canadian Celanese, Drummondville, rayon fibre.

Canadian Industries Ltd., Shawinigan Falls, cellulose acetate transparent paper for packaging.

Canadian International Paper (and Masonite Corp.'s) International Fibre Board, Gatineau, hardboard for building etc.

Commercial Alcohols, Gatineau Mills, ethyl alcohol from wood pulp waste liquor (two million Imperial gallons a year).

Consolidated Textiles, Joliette, rayon fabrics.

Distillers Corp.-Seagrams, Ville LaSalle, whisky (cased bottles) in bond.

Dominion Rubber, Montreal, rubber goods.

Dominion Tar & Chemical's Dominion Alkali & Chemical, Beauharnois, chlorine and caustic soda (chlorine 60 short tons a day; soda 67 tons a day).

Harrisons & Crosfield's (and Newcastle-on-Tyne Zinc Oxide's) Durham Chemicals of Canada, Cap de la Madeleine, zinc oxide, etc.

Imperial Oil, Montreal East, gasoline and oil (8,000 barrels of crude daily).

Molson's Brewery, Montreal, beer.

Monsanto (Canada), Ville LaSalle, phenolic resins.

McColl-Frontenac Oil, Montreal East, gasoline and oils.

National Distillers Products' Montmorency Distillery, Beaupre, whisky.

George R. Prowse Range, Montreal, steel cooking ranges, etc.

Shawinigan Water & Power's Canadian Resins & Chemicals, Shawinigan Falls, dioctyl phthalate plasticizer.

Shawinigan Water & Power's Shawinigan Chemicals, Shawinigan Falls, monochloracetic acid.

Shawinigan Water & Power's Shawinigan Chemicals, Shawinigan Falls, vinyl acetate.

Shawinigan Water & Power's Shawinigan Chemicals, butyraldehyde.

Howard Smith Paper Mills, Ville LaSalle, plastic-laminated hardboard for building, etc.

Howard Smith Paper's Canada Paper, Windsor Mills, fine paper and specialties.

Turner & Newall (Canada), Montreal East, asbestos products for building, etc.

Woods Manufacturing, St. Lambert, jute and cotton bags, clothing, etc.

Here Are Projects Recently Completed

These are among biggest and most recent additions to Quebec's and Canada's manufacturing capacity. In most cases the new capacity is already producing goods and in many cases producing at fully rated capacity.

Abbott Laboratories Ltd., Outremont, pharmaceuticals.

Aluminum Co. of Canada, Arvida, magnesium and alloy ingot (100 tons a day).

Armstrong Cork (Canada), Montreal, asphalt tile flooring, etc.

Asbestonos Corp., St. Lambert, brake lining.

Bailey Meter, Montreal, meters, controls.

Canadian Celanese, Sorel, rayon yarn and fabric.

Canadian General Electric, Quebec City, electric meters.

Canadian Industries Ltd., Brownsburg, nylon filament brush bristle.

Canadian Schenley, Valleyfield, beverage liquor.

Consolidated Paper's St. Maurice Valley Paper, Cap de la Madeleine, newsprint (90 tons a day).

Crane Ltd.'s Crane SteelWare, Quebec City, enamelling of imported pressed steel bathtubs and sinks.

Dominion Bridge's Dominion Engineering Works, Lachine, heavy machinery.

Dominion Foils (Canada), Cap de la Madeleine, aluminum products..

Dominion Oilcloth & Linoleum, Montreal, linoleum.

Dominion Wire Rope & Cable, Lachine, wire rope, cable.

Foxboro Co., Ville LaSalle, industrial instruments.

Gypsum, Lime & Alabastine (Canada), Montreal East, gypsum products for building, etc.

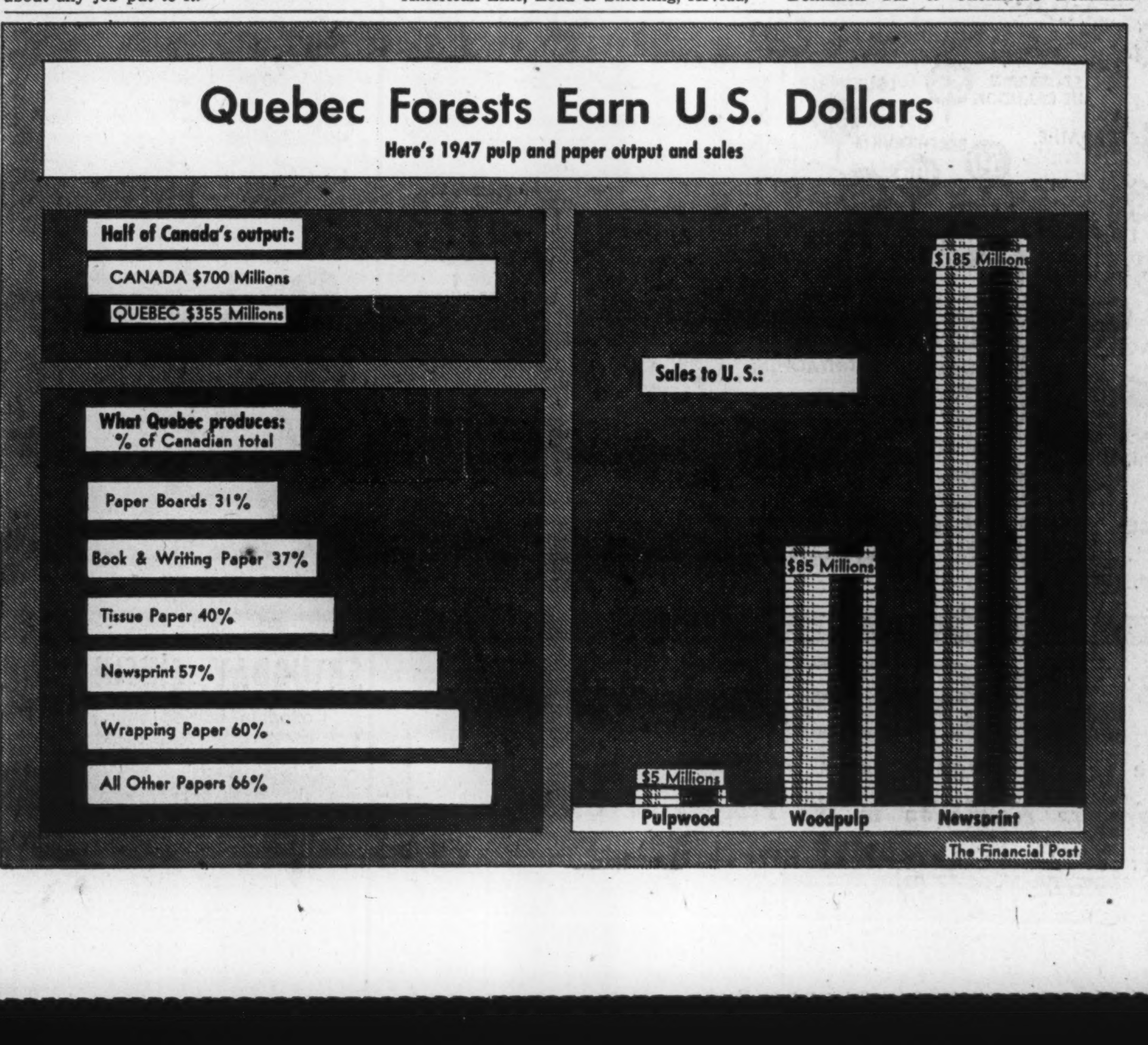
Shawinigan Water & Power's Shawinigan Chemicals, Shawinigan Falls, synthetic resins.

Shawinigan Water & Power's Shawinigan Chemicals, Shawinigan Falls, acetylene.

Sherwin-Williams of Canada, Montreal, synthetic resin varnish (1.5 million gallons a year).

Howard Smith Paper Mills, Beauharnois, fine paper.

Torrington Co., Bedford, knitting machine needles.



Mainspring of Pulp-Paper Industry Quebec Sets 1948 Sights Even Higher

Canada's pulp and paper industry has produced close to $700 millions in gross value in 1947. And if past records are any indication, Quebec produced about $370 millions of this. Pulp and paper also contributed about $530 millions export dollars; one estimator says 45c out of every dollar received from export, comes from pulp and paper production.

Here again Quebec shines. If the foregoing estimate has any validity, Quebec must contribute at least 23c out of every export dollar in pulp and paper alone. And most of the export dollars which Quebec earns are the kind Canada wants most — U. S. dollars. Here is the 1947 box score of Quebec's production of the three important pulp and paper products, pulpwood, woodpulp and newsprint, and exports of these commodities.

Production (estimated)	Exports (estim. U.S. $) millions
Pulpwood — 5.2 million tons	7
Woodpulp — 3.6 million tons	90
Newsprint—2.1 million tons	185
	$ 282

Leads in Other Products

Besides these three major items, Quebec produces about half the Dominion's total of other types of paper products. As indicated in the chart, on the basis of 1946 figures, Quebec produces approximately 37% of book and writing paper; 60% of wrapping paper; 31% of paper boards; 40% of tissue paper; and 66% of all other types. Thus the province's leading manufacturing industry operates on a sound foundation of diversification. This factor is likely to take on added importance, in view of Canada's dollar conservation program.

In a recent address to the Canadian Pulp and Paper Association, President R. M. Fowler said: "A number of types of products not made in Canada, are now on the list of important prohibitions; many are of a kind which, with some experimentation and ingenuity, could be produced by our mills . . . I believe exports must be expanded and this industry must take its part . . . by moving into international trade in commodities that are now largely produced for the domestic market."

In other words, Mr. Fowler indicated that the industry can manufacture paper products which are now imported, and can expand production of some items now produced in small quantities. Quebec's pulp and paper industry has already made a beginning along these lines. Many companies are manufacturing new products and increasing their production capacity of others. Here are some of the important developments:

Anglo Canadian Pulp & Paper: Manufactures a liquid road binder made from the by-products of paper manufacture. This material has a lignin base and is used in various kinds of road construction and maintenance work.

Donnacona Paper Co.: In 1947 purchased timber limits from Brown Corp., acquiring approximately 750 sq. miles. In addition to newsprint, sulphite and groundwood pulp this timber will also go into the 80 million sq. ft. of insulating board which this company manufactures per year. Sale of this product is worldwide.

Consolidated Paper Corp.: In addition to newsprint, kraft paper, kraft pulp, cardboard, wrapper, sulphite pulp, this company also manufactures plastic and other materials as by-products. "Copacite," one of these products, is made from pulp liquor used by foundries, linoleum manufacturers, tanners and other industries. "Copaco silicing film" is used as a joining material by the paper and textile industries. "Copacol," a chemical product of the kraft process, is being used by soap manufacturers as a substitute for vegetable oil.

Donohue Bros.: This company is increasing its production capacity. Installation of new machinery was carried on last year and is continuing in 1948. Net estimated cost is $500,000. Groundwood capacity is expected to be increased to 225 tons a day and newsprint capacity increased by 12,000 tons a year.

Howard Smith Paper Mills: This company's production is one of the most diversified in Canada, making more than 500 grades of paper. Some of the company's products include: pulps, glassine, greaseproof, wrapping, toilet and coating papers, tags, paper bags and specialities, vanillin and lignin plastic. Company has launched a $10 million exxpansion plan. A $150,000 addition to the Beauharnois plant is under way. This plant is the only Canadian mill making cigarette paper, it is stated.

One of the company's lignin plastic products, which started off on an experimental basis, is now going into commercial production. The Arborite Co. has been formed to take over the plastics division of Howard Smith Paper Mills. This company will produce laminated plastic wallboards, table tops and electrical panels. A new plant being constructed at Ville LaSalle, is expected to be completed in June. Main product of the company will be a unique plastic laminate developed in Canada during the war in conjunction with the Department of Munitions and Supply. At that time there was a world shortage of synthetic resins, and determined efforts were made to find some other material. Research chemists of Howard Smith Paper Mills explored lignin, the natural resin cement which binds the fibres of wood together, as a resin source. Lignin is dissolved by chemicals in the pulp making process and is usually burned or dumped into the nearest stream as a waste material. Howard Smith is marketing its new plastic under the name "arborite."

Canadian International Paper Co.: An interesting development in connection with this company's Gatineau plant was announcement in 1947 that Commercial Alcohols would construct a $2 million commercial alcohol plant using waste sulphite liquor from the company's plant. The alcohol plant is designed to produce about two million gallons of ethyl alcohol yearly. The sulphite liquor is now poured into the river. The new plant will have the largest capacity of any sulphite liquor distillery in the world, processing a maximum of 700,000 gallons of sulphite liquor every 24 hours.

CIP in 1946 opened a plywood plant at Gatineau with a rated capacity of about 40 million sq. ft. a year of hardwood plywood panels. Also at Gatineau, CIP's subsidiary, International Fibre Board operates a wood fibre plant, rated capacity 600,000 sq. ft. of board a day. Wood screenings are a byproduct of paper manufacture; and "wood flour" a byproduct of fibreboard manufacture, has a value in the manufacture of explosives and composition floors, and as an insulator.

Output Up

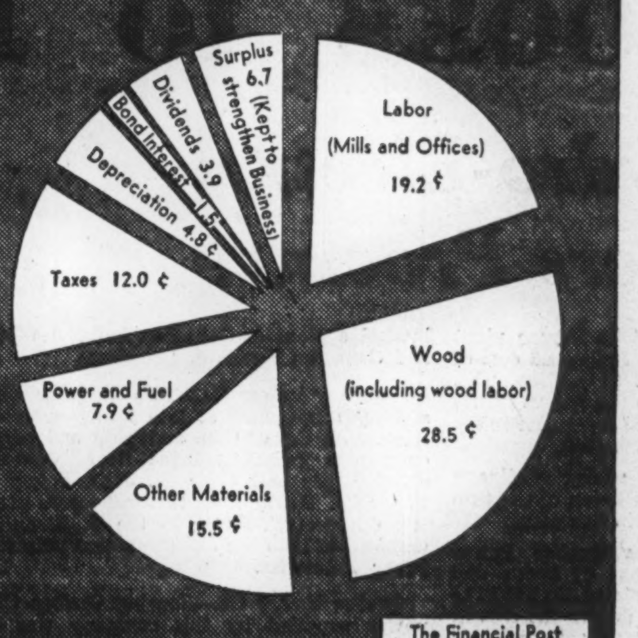
These are a few of the steps which Quebec's pulp and paper industry has taken toward greater diversification and increased production. All newsprint companies in the province, along with other Canadian mills, stepped up their output of newsprint and pulp in 1947. Newsprint production in the whole of Canada increased some 300,000 tons; and it is likely that Quebec accounted for at least half this increase. Similarly in pulp, it is estimated that exports to United States were some 265,000 tons more in 1947 than in the previous year, with about 100,000 additional tons likely coming from Quebec.

Financially, Quebec's pulp and paper companies are in a sound position. While increases in prices of newsprint, other grades of paper and pulps have resulted in greater revenues, much of this is being paid out in higher salaries and wages to the more than 25,000 workers employed directly by the industry. Substantial sums are also being spent on the forests. Mechanization, improved forest engineering and management, increased cost of woods labor, are all taking a bigger slice of the income dollar. According to estimates made by Mr. Fowler, labor gets 38c of the pulp and paper income dollar. In 1946 Quebec's pulp and paper workers received 48.4 millions in salaries and wages; and the 1947 wage bill may be at least $10 millions higher.

Pulp and paper production in Quebec is likely to show still greater increases this year. Woods operations in the fall of 1947 were much improved over 1946, and many companies ceased cutting operations at the end of the year. This indicates that an adequate wood supply will be available for 1948-49 mill operations. A shortage of boxcars is, however, again hampering many companies. This month it was reported that companies in the Saguenay district were forced to curtail operations, due to delays in boxcar arrivals. In general, however, this is a temporary condition, occasioned by severe weather conditions.

Where Pulp and Paper Dollar Goes:

Breakdown of the income dollar of 12 Canadian Companies in 1947



The Financial Post

Players' Payroll is $27,166 For 'Amateur' Hockey Team

From Our Own Correspondent

EDMONTON — Edmonton Flyers amateur hockey team showed a profit of $613 for 1947, its owners, the Edmonton Exhibition Association, reports. Gate receipts totalled $52,258, with the largest expenditure $27,166, for players' payroll (see "Sh-amateur Football," The Financial Post, Sept. 20, 1947).

The Exhibition Association reported net profit of $62,612 (gross profit $92,912, from which $23,300 was put aside to set up new reserves).

The Association balance sheet disclosed assets of $295,933, including balance at credit of $237,289 ($167,676 a year before). Major profit of $56,963 came from the summer Exhibition. Another $9,078 profit came from the fall races; $7,291 from operations of the Arena and fair grounds.

Losses on livestock shows included $11,016 on the 1946 fall show, $623 on the spring cattle show, $3,629 on the spring light horse show.

BAND-ORE GOLD MINES announces, James F. Lawrie has resigned as a director.

Who'll Handle the Publicity For Public Relations Body?

Public relations men are at work on the formation of a national association.

Sixty representatives of this fast-expanding vocation met in Toronto recently to discuss the idea. They elected a pro-tem committee and assigned it to study such steps as may be necessary to make the association a legal entity, with national charter.

The association proposes to draw its membership from two main groups:

1. Internal public relations men—those who devote their full time to one employer (industry, association, or Government) upon whose staff they are engaged.

2. External public relations men—those engaged in public relations as a vocation, but whose time is devoted to more than one employer (Example, public relatons counsellor, operating on a counsellor-client basis).

Increased numbers in these two categories, reflecting a rapid growth in public relations work during and since the war, gave impetus to the idea of forming a Canadian public relations association, says D. O. Durkin, in charge of public relations for the Goodyear Tire & Rubber Co. Ltd., who made arrangements for the initial meeting.

The group—which came principally from Toronto, Montreal, and Hamilton—adopted two objectives:

1. To establish professional standards for public relations in Canada. A possible avenue of approach would be the encouragement of suitable courses in institutions of higher education, as well as the setting of standards of membership in the association.

2. To enhance the prestige of public relations and its practitioners in the minds of the general public.

It is suggested that the association be Canadian, possibly with local chapters in the principal cities. There are three associations of public relations men in the United States, but no affiliation is seen at this time.

The group drew its pro-tem committee equally from the "internal" and "external" groups.

From the former category were Mr. Durkin; J. W. Lawrence, director of public relations and advertising for The Borden Co.; and Fred Payne, executive secretary of the Canadian Shoe Retailers' Association.

From the latter were Gerald M. Brown, president, G. M. Brown and associates; Harry Savage, Writing Services; and Bryan Vaughan, Toronto director of Public and Industrial Relations Ltd.

These six men will appoint a pro-tem chairman. Stuart Philpott, Northgrave Ltd., was drawn in as an "outside" chairman for the initial meeting.

Alberta VLA Farmers Need 2,000 Tractors

From Our Own Correspondent

EDMONTON — Two thousand tractors and a proportional amount of other spring farming equipment is needed if Alberta war veterans are to put in a crop this spring, Harry Allam, Alberta VLA superintendent states.

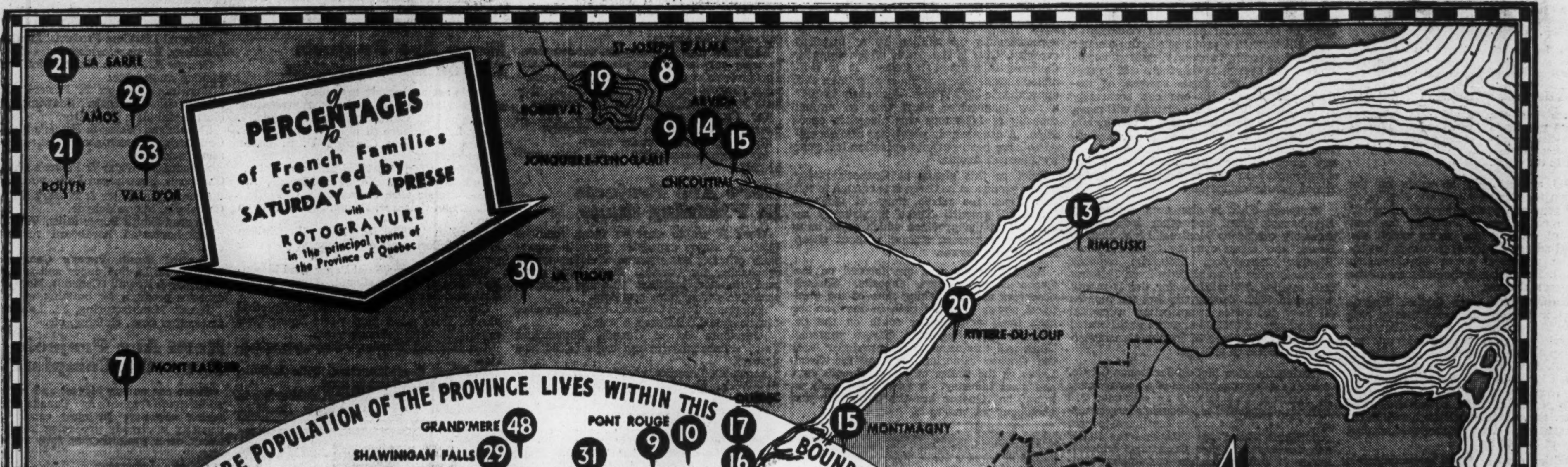
Up to the end of 1947, VLA in the Alberta district, which includes the B. C. Peace River district, the Yukon and North West Territories, has spent $3,364,130 on farm equipment.

The Department has purchased 722,636 acres of land (of which 456,816 are under cultivation) at total cost of $11,183,073. In addition, $1,251,493 was approved for permanent improvements and $4,073,770 for purchase of livestock and equipment Small holding expenditures were $2,769,600 for land and existing improvements. Approval for improvements to be erected was $1,781,221, with approval also of $219,953 for purchase of chattels.

Allam stated that $2,441,031 has been approved for assistance to veterans who have elected to settle on provincial crown lands. He said that with veterans settling on more than 300,000 acres of undeveloped land, it was decided the best arrangement for bush clearing and breaking, was to have local operators with heavy equipment do custom work. Average cost of clearing piling and breaking throughout the province was $17.97 on acre.

Up to Dec. 31, 6,083 veterans were established on the land in the Alberta district.

La Presse reaches every district or zone in French Canada



LA PRESSE

The second largest daily in Canada

Largest Rotogravure circulation in the Province of Quebec

Member of Audit Bureau of Circulations

SATURDAY CIRCULATION with ROTOGRAVURE } 260,889

Canadian Edition only as at December 13th., 1947 (subject to audit)

TORONTO OFFICE
S. L. Rees, Manager
820 Metropolitan Building

HEAD OFFICE
7 St. James Street West
MONTREAL, CANADA

U. S. REPRESENTATIVES
Lorenzen & Thompson, Inc.
28 w. 44th St., New York City

Quebec Doors Open Year Round Tourists Help Solve $ Problem

Quebec's contribution to the solution of Canada's dollar problem is not confined to its exports of pulp and paper and other manufactured products. Quebeckers earn millions of U. S. dollars yearly merely by staying home . . . playing the part of good hosts.

Tourism in Quebec is in the forefront as a source of United States currency. In 1946 it was estimated that Quebec took in approximately $45 millions, or about 21% of the national total of $214 million U. S. dollars; and some sources set the 1947 figure at $60 millions. One certainty is that Quebec is increasing in popularity among both United States and Canadian travellers.

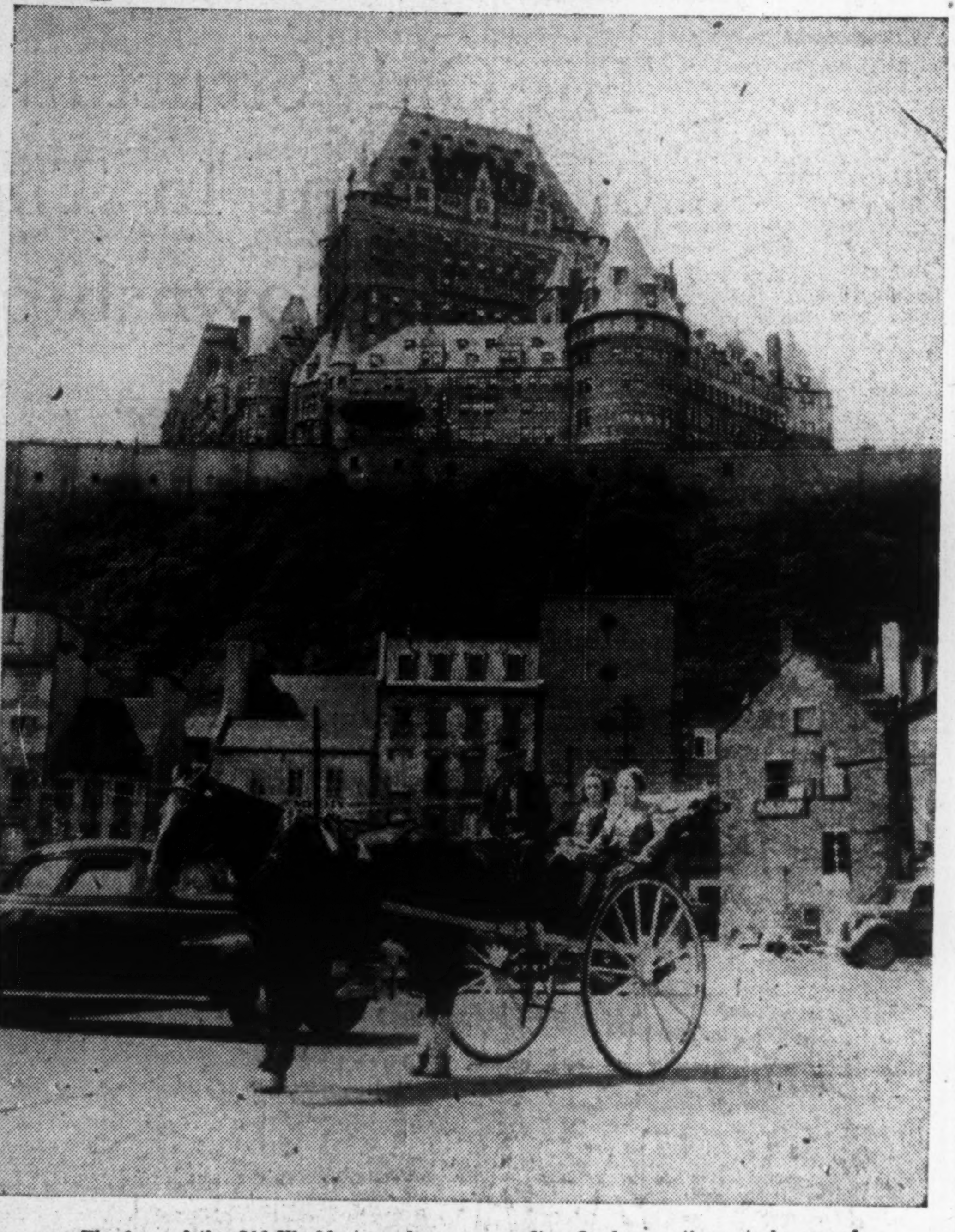
Back in 1920, when the total tourist business was $83 millions, Quebec took in only 3½% of the total. By 1936-37 approximately 25% of all tourist dollars were spent in the province. Today Quebec is taking in roughly 25% of the U. S. tourist expenditures but gets a bigger share of the foreign and overseas traveller's dollar.

Whatever the Quebec percentage is, it is still big business; particularly for the merchants. Tourist men estimate that at least 25% of tourist expenditures go into the merchant's pocket. On the basis of $60 millions tourist expenditures in 1947, this would mean that Quebec merchants took in about $15 millions.

Teach Hotelmen

Growth of Quebec's tourist industry, is to a large extent, the result of a program of education within the province and propaganda outside. For several years the province has sponsored courses for hotel and inn-keepers. There is unanimous agreement that good food and accommodation play leading roles in attracting visitors. In view of the fact that there are more than 2,200 hotels and inns in the province, the Government has sponsored these courses in the fine art of inn-keeping.

More than 20 sessions of one-month duration have been held, attended by more than 700 pupils. The school is mobile, going from one section of the country to another in its spring and autumn sessions. Comfort hospitality, distinctive French-Canadian architecture and decoration, and cuisine, head the list in the hostelry service campaign.



The lure of the Old World atmosphere surrounding Quebec continues to be one of the major attractions for French Canada's tourist industry. Before the towering walls of the Chateau Frontenac, tourists are seen in one of the city's ancient horse-drawn vehicles.

Another factor which has helped Quebec in its bid for tourists is the organization of the province into tourist regions. Special organizations called "Syndicates d'Initiative Tourisque" are located at strategic points, and are supervised by the provincial tourist bureau. These local organizations carry out the program of education among citizens in their localities.

Quebec's regional tourist bureaus are also making an important contribution to tourism in the province. Four of these regional offices are already in operation and three more will be added in the 1948 season. These new bureaus will serve the Eastern Townships region, with headquarters in Sherbrooke; Hull and Gatineau Valley, headquarters Hull; and Frontenac and Wolfe counties, headquarters Megantic. Others active for some time include the Saguenay-Lake St. John district, headquarters Chicoutimi; Charlevoix, with an office at Pointe au Pic; Temiscouata county, office at Riviere-du-Loup; and Gaspe, with headquarters at Rimouski.

Selling Quebec to the prospective tourist is the job of the province's publicity bureau. This bureau is under the direction of Georges Leveille but the Department of Tourism comes under Premier Duplessis.

Attractions Plentiful

Quebec has no shortage of fine packages to offer the tourist. At the eastern end of the province is the Gaspe Peninsula, area of famous fishing villages, where the equally celebrated Gaspe cod is caught. Part of the province's tourist program includes the paving of the highway around the Peninsula and along the Charlevoix coast. Farther west on the north side of the St. Lawrence is the Saguenay district, home of Canada's big aluminum industry; an area of lakes and rivers. Quebec City is one of the most important tourist spots in the province. The city itself is filled with historic landmarks and carries the distinctive French-Canadian atmosphere. Just north of the city is provincial Laurentide Park, a paradise for the fisherman who wants and can afford luxury accommodation.

Quebec's sports playground is the Laurentian district. Skiers by the thousands swarm over its hills every winter week. Through a determined publicity program, however, Laurentian communities are developing this part of the province into a year-round resort area. From Mont Tremblant to the north right down to Shawbridge, a few miles outside of Montreal, chalets, hotels and inns will accommodate visitors any season of the year.

Scenery, sports and historic sites are only a part of Quebec's attractions. Underlying all are the people, the French Canadians. Their language, culture, and their tradition all contribute to the distinctive and different atmosphere which the tourist encounters. This distinction is revealed in many ways. Architecture is one example where the French influence in home construction is evident, particularly in the rural areas. Sacred shrines which dot the province provide evidence of the important part which religion plays in the life of most French Canadians. This aspect of French-Canadian life contributes in no small measure to the heavy influx of visitors each year. Guardians of the sanctuary at Ste-Anne-de-Beaupré report that some 875,932 pilgrims visited the shrine last year. Of this number 746,000 travelled by automobile, 107,000 by rail and others by varying methods of transportation.

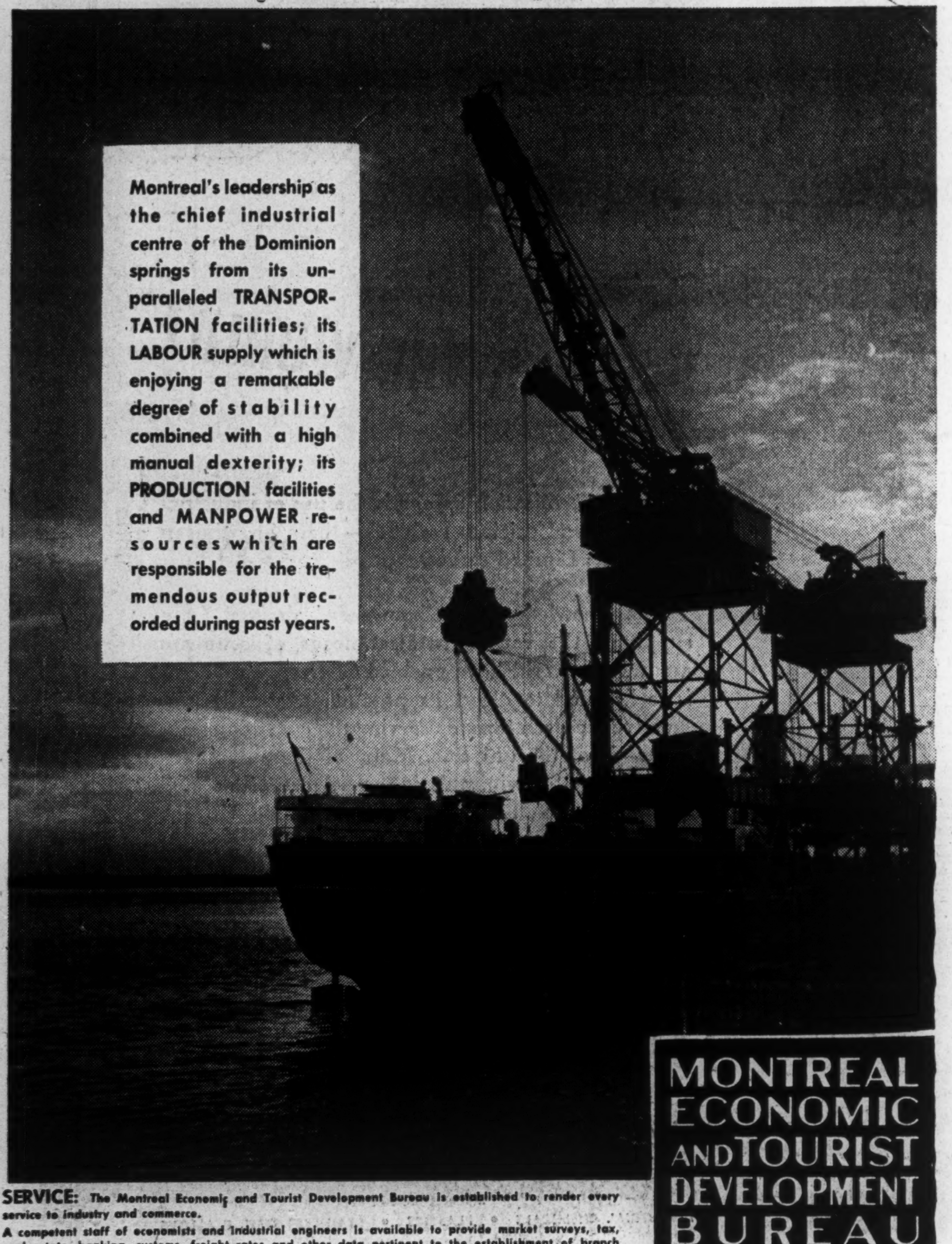
Many U. S. Visitors

Visitors to Quebec are split about fifty-fifty; half coming from other Canadian provinces and half from United States. During the busy tourist months, however, the percentage coming from United States increases considerably. On the basis of previous years' traffic figures, the proportion of U. S. tourists runs 70% to 75%, of persons who stay longer than 48 hours. About 25% of these, however, enter the province through interprovincial points. Quebec is ideally located to tap one of the richest tourist markets in United States. Along the Quebec section of the international boundary line are such heavily populated states as Maine, New Hampshire, Vermont, New York. And within easy travelling distance are Pennsylvania, Connecticut, New Jersey and Massachusetts.

In general, Quebec's tourist program is calculated to induce more of these close neighbors to visit the province. A basic tenet in the province's plan is that Quebec's individualism must be maintained. Tourist Director Georges Leveille says: "We must never lose sight of the fact that the tourist travels not only for sports and pleasure, but also for culture. Travellers are in search of something different from their daily routine. This is considered, and justly so, as one of the fundamentals of tourist psychology." Letters received by the Tourist Department confirm this belief. One Western Canadian, after a first visit to the province, wrote: "Please do not allow your characteristic background to be altered. It is quite right to be progressive, and you surely are. But a strong line of continuity must be followed. Canada would lose much indeed, should you ever discard your French-Canadian traits of civilization." Advice like this sounds fine to Quebec. Quebeckers have a legitimate pride in their French-Canadian heritage and in addition, they say, "it's good business."

DONALDA MINES is starting a second drill hole in joint drilling program along common boundary with Noranda Mines between the two properties. The first hole encountered encouraging mineralization north of the Horne Creek fault in the rhyolite porphyry and was stopped at 754 ft. after intersecting the fault and entering andesite. The second hole is designed to penetrate the fault at greater depth.

MONTREAL



MONTREAL ECONOMIC AND TOURIST DEVELOPMENT BUREAU

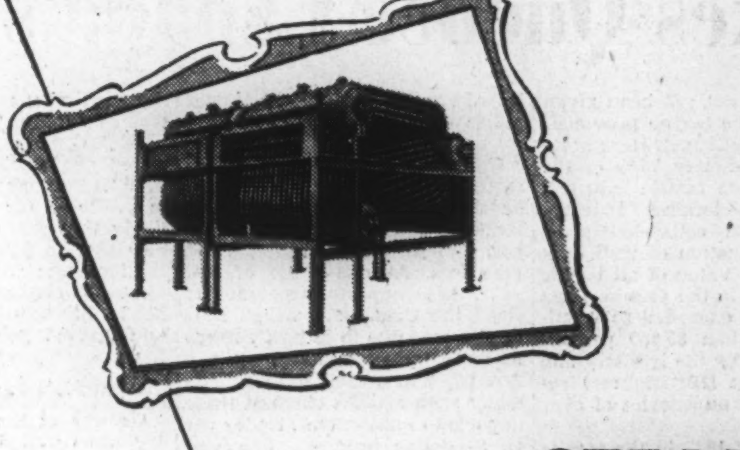
SERVICE: The Montreal Economic and Tourist Development Bureau is established to render every service to industry and commerce.

A competent staff of economists and industrial engineers is available to provide market surveys, tax, real estate, banking, customs, freight rates and other data pertinent to the establishment of branch plants or new business enterprises.

These services are rendered confidentially and without obligation or cost.

VALMORE GRATTON — Co-directors — GEORGE S. MOONEY • 806 Dominion Square Bldg.

Yesterday's Boiler



still generates STEAM

BUT . . . your profits are determined by today's cost of fuels and cost of operation.

Consider what you pay for fuel today—two times what you paid before the war. Remember that operating labor rates have doubled since 1939.

However, technological advances during the last two decades have offset these increases to the extent that the average price of electricity today is lowest in the history of the industry.

It stands to reason that you must have modern high efficiency steam generating equipment to be competitive in today's market.

Foster Wheeler's engineering "know how" is the answer to the pertinent question of how to reduce your operating costs.

FOSTER WHEELER LIMITED

ST. CATHARINES MONTREAL TORONTO WINNIPEG

9,000,000 SAW QUEBEC

Quebec, Summer and Winter playground of Canada, was on the itineraries of more than nine million sightseeing vacationists last year. They came for a glimpse of old world charm; to motor over its highways to such beauty spots as the Gaspe Peninsula; to fish in Quebec's endless waterways; to hunt in its almost primeval forests; and, in winter, to ski in its magnificent Laurentian mountain range.

American and Canadian visitors alike are invited to "Enjoy Eaton's Friendly Hospitality"—a slogan backed by many services and conveniences. Parking facilities, Visitors' Information Bureau, Route Maps, Hotel Information, Customs Regulations, Personal Shoppers, Restaurants,—services designed to make your visit more enjoyable.

THE T. EATON CO LIMITED OF MONTREAL

$500 Million Textile Industry Makes Quebec Canada's Fashion Hub

Quebec has not yet been given the title of "the textile province" but it might get it yet. Here is located approximately 75% of the country's cotton textile industry: a women's clothing industry which has an estimated gross value of production of well over $100 millions. Value of all textile manufactures in the province last year probably exceeded $500 millions. More than 85,000 persons are employed by the industry and in 1945 (latest DBS figures) received wages and salaries of over $112 millions.

Highlight of 1947 in the textile industry was that the slump, expected by many persons, did not materialize. Primary producers, fabric manufacturers and garment makers all operated at full production. To the cotton division, the largest segment of the industry in the province, the year brought price decontrol in September and the industry operated in a free market for the first time since December, 1941. But decontrol created its problems as well as its blessings. Primary cotton producers did not, however, put through an immediate increase in price. All companies completed the orders on their books at the time of decontrol and sold this production at the ceiling prices.

First decontrolled price on cotton, put through last October, reflected the market price of the raw cotton, 31.5 cents per lb. Since then, raw cotton has moved up over four cents. At least one primary producer, however, has not yet passed along the increase to its customers. One reason is that it wishes to avoid possible suspicion that manufacturer is using the import restriction program as an excuse to charge higher prices. It is also pointed out that a manufacturer who has taken a long forward position in his raw cotton purchases could possibly have sufficient inventories of raw cotton at the lower prices to last several months.

U. S. Imports Curbed

Canada is not self-sufficient in cotton textiles; and since the end of the war United States has largely replaced United Kingdom as a supplier of cotton fabrics and garments. At one stage of last year, these imports threatened to flood the Canadian market. Part of this was due to import subsidies on many types of cotton goods. A cutback in subsidy payments on many such articles checked these imports to some extent. Under the U. S. dollar program, however, imports of U. S. textiles are being cut back still further. According to Quebec textile men the cotton industry should be able to supply the major part of the Canadian cotton textile market in 1948. There is, however, little indication of expansion in the industry which would make the country self-sufficient in cotton goods. For the current year it is expected that English fabrics will largely replace the hole left in the supply picture by the restrictions on U. S. products.

While cotton still looms large on the Quebec textile scene, the base of operations is rapidly broadening through diversification. A substantial part of the 80 million yards of rayon produced in Canada last year was manufactured in Quebec. Like cotton, imports of rayon from United States last year were heavy; but with the present restrictions, Quebec mills will be able to expand output. Some rayon men believe domestic production may more than offset the reduction in imports. If so, the industry can make a big contribution to Canada's dollar problem.

Just as important as the primary producer, however, is the manufacturer of the finished garments. It is in this field that the Quebec industry has probably shown the greatest growth. In women's factory-made clothing alone, Quebec companies produced goods with a gross value of $11.4 millions in 1945. No figure is available for 1947, but it is likely that gross production will be closer to $200 millions. Similar increases will also be shown for men's clothing, which totalled $83.2 millions in 1945, and hosiery and knitted goods of $34.8 millions.

Canada's Fashion Centre

Growth of the garment industry has resulted in Quebec's becoming the fashion centre of Canada, particularly in the women's field. Last fall some 400 to 600 buyers of women's dresses visited Montreal to place about $25 millions of orders. Purchasers came from Newfoundland, United States, South Africa, British West Indies, South America, and other countries. This kind of business is due to the fact that Montreal has more than 1,000 manufacturers of women's and children's clothing, producing about 70% of this type of merchandise made in Canada. Here are some other figures to back up the city's claim to the fashion centre of Canada. Approximately 80% of women's dresses are made in Montreal; 40% of coats and suits; 65% of other types of women's clothing and 75% of all children's wear.

Actually, the textile industry in the province has developed into a "fashion" industry; and as such, it is employing more people. In Montreal alone employment has jumped from about 18,000 in 1937 to approximately 30,000 in 1947. Following are some comparative figures compiled by the Montreal Dress Manufacturers' Guild showing the industry's growth in the past ten years:

	1937	1947
No. of establishments	537	1,047
Capital invested ... millions	$25	$50
No. of employees	18,000	30,000
Salaries & wages .. millions	$15	$45
Gross value of production ..... millions	$50	$160
Cost of materials used .... millions	$30	$75
Average hours per week ...	45	33

This rapid increase in the size of the industry has enabled Quebec manufacturers to enter new fields. Canadian designing, for example, is a wartime development. Usual practice before the war was to purchase patterns from New York houses and adapt them to the Canadian market. Wartime restrictions and shortages of materials forced manufacturers on their own, and many of them now do original designs.

With growth of the apparel industry, many subsidiary industries have developed. Accessories such as gloves, purses, stockings and costume jewelry are now made in quantity. As evidence of the growing stature of the fashion industry, Montreal manufacturers say that it has contracted for more space at the Canadian Industrial Trade Fair in Toronto this spring than any other single Canadian industry.

Switzerland Plans 32nd Industrial Fair

All the products for which Switzerland has become famous will be on display at the 32nd Swiss Industries Fair at Basle, April 10 to 20. Buyers from all parts of the world are expected at the Fair to renew connections with the Swiss metal and machinery, watch, electric, chemical and other industries. For visitors from Canada and the United States, Swissair will provide special Trans-Atlantic flights direct to Basle.

BOOKS FOR BUSINESSMEN

MONEY, by Fred G. Clark and R. S. Rimanoczy; published by D. Van Nostrand Co. (Canada) Ltd.; 37 pages; Price, $2.20.

Here are the bare facts about money, its uses and abuses, written in basic English and illustrated by simple charts. Clark and Rimanoczy, respectively general chairman and educational director of the American Economic Foundation, have dedicated this book "to man's age-old effort to create a government strong enough to protect him without creating a force strong enough to enslave him."

"The greatest weakness of modern money is that the people are unable to prevent government from reducing its value by increasing its supply," they declare. The "value" of money is only what can be bought with it and "the only effective control which the citizen may exercise over the money supply is a Constitutionally-protected gold standard."

The advocates of "printing press money" will argue vigorously the conclusions of this book; they cannot dispute the facts which it sets forth.

HISTORY OF THE HOMELAND, by Henry Hamilton; edited by Lancelot Hogben; published by Thomas Nelson & Sons, Ltd., Toronto; 597 pages; price, $5.50.

Jaffrey professor of political economy, the author has adopted a new approach in this one-volume history of Great Britain and the Commonwealth. Chronological order has been set aside, and the chapters deal with the evolution of subjects—human needs, the land, food, the rise of capitalism, the Empire, etc. In such a form, it affords an excellent reference style for specialists, in addition to serving its chief purpose as another in Editor Hogben's Primers for the Age of Plenty (Mathematics for the Million, Science for the Citizen and the Loom of Language.)

CANADA, by Griffith Taylor. Published by Methuen & Co., London (Reginald Saunders & Co., Toronto) Price $6.

This is a study of the varied climate of Canada, its effect on British and French settlement in the past, and its probable influence on settlement and density of population in the future. There is a general "inventory" of the natural resources of the country by regions, special chapters on the major industries, special population problems, etc. The author is professor of geography at the University of Toronto and has made similar studies of Australia and Newfoundland.

MEN OF LAW, by William Seagle; published by the Macmillan Co. of Canada, Toronto; 391 pages; price $5.

Laymen will find a fascination in these 14 biographies of men who have played leading roles in the development of the various codes of law as we know them today. Here is no stilted, dry-as-dust discussion of the details of law; Mr. Seagle has sketched, in broad strokes, the background—why some laws came into use at certain periods of history, how they changed as conditions changed. Of major interest are Mr. Seagle's brief, keen descriptions of the personalities involved: Hammurabi, Solon, Gains, Justinian, Hugo Grotius, Edward I, Thomas Egerton, Sir Edward Coke, Sir William Blackstone, Cesare Bonesana, Jeremy Bentham, John Marshall, Rudolf von Jhering, and Oliver Wendell Holmes.

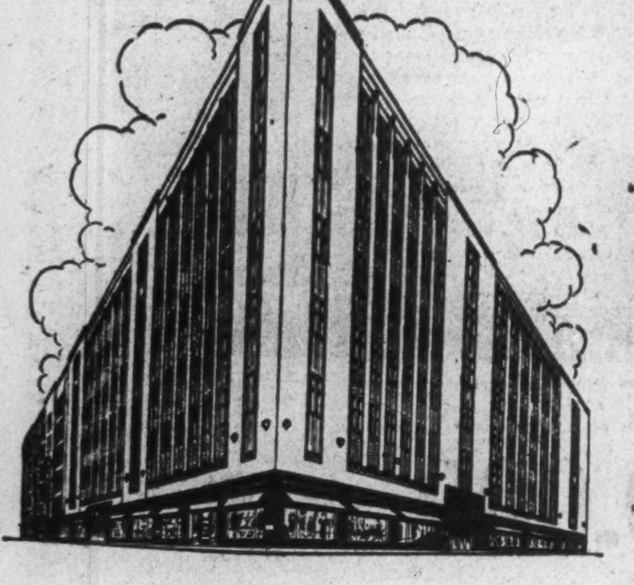
ESTABLISHED 1907

The Only Structural Steel Plant In The Eastern Townships

MacKINNON STRUCTURAL STEEL CO. LIMITED
HEAD OFFICE: SHERBROOKE, QUE.
Montreal Office—555 New Birks Building

LAURENTIAN TEXTILE
CO. LIMITED
MANUFACTURERS OF
KNITTED OUTERWEAR AND KNITTED FABRICS
ST. JEROME QUE.
L. MARCOUX-Manager Tel. St. Jerome 725

DUPUIS'



DUPUIS' STORE as it will look when the building programme now under way will be completed.

Dupuis Frères
RAYMOND DUPUIS, President A. J. DUGAL, V.P. & Man. Dir.
DEPARTMENT STORE: 865 St. Catherine East
MAIL ORDER DIVISION: 780 Brewster Street
MEN'S STORE BRANCH: Windsor Hotel

SERVING THE WORLD!

SHAWINIGAN

Wherever civilization demands the use of industrial chemicals and calcium carbide — there Shawinigan Chemicals Limited serves.

The knowledge and 'know-how' derived from supplying the varied chemical needs of countries around the world have enabled Shawinigan Chemicals Limited to direct its production and its progressive research towards serving the ever-increasing demands of the universe. Many of these demands are met by Shawinigan's industrial chemicals, and Shawinigan 'S' brand Canadian Carbide (in the familiar green drum).

The Stainless Steel & Alloys Division of Shawinigan Chemicals Limited produces stainless and high alloy steel castings of the finest quality—controlled and tested at all stages of production to meet the exacting needs of the chemical, mining and metallurgical industries throughout the world.

ACETALDEHYDE FROM ACETYLENE
ACETIC ACID FROM ACETYLENE
ACETIC ANHYDRIDE FROM ACETYLENE
ACETONE FROM ACETYLENE
ACETYLENE BLACK
BUTYL ACETATE FROM ACETYLENE
BUTANOL FROM ACETYLENE
CHLORAL FROM ACETYLENE
CROTONALDEHYDE FROM ACETYLENE
CROTONIC ACID FROM ACETYLENE
ETHYL ACETATE FROM ACETYLENE
MONOCHLOROACETIC ACID FROM ACETYLENE
VINYL ACETAL RESINS FROM ACETYLENE
VINYL ACETATE FROM ACETYLENE

For complete information write
SHAWINIGAN CHEMICALS LIMITED
Head Office: P.O. Box 6072, Montreal, Que. • Plants: Shawinigan Falls, Que.
Manufacturers of
INDUSTRIAL CHEMICALS • PLASTICS • STAINLESS STEEL & ALLOYS

Woods, Mines, Factories Enrich Quebec Economy

Where does Quebec's wealth come from?

Pulp and paper remains at the top, according to the latest complete statistics available (1945).

Mining is next, followed closely by the clothing industry.

Here are the comparative figures:

QUEBEC'S LEADING INDUSTRIES

	Plants No.	Production $000	Employees No.	Salaries & Wages $000
Pulp and paper	49	199,172	19,824	38,935
Nonferrous metal smelt. & refining	8	131,570	6,234	12,519
Clothing, women's, factory	611	100,420	18,427	25,226
Miscellaneous chemicals	76	98,958	19,105	33,331
Railway rolling stock	10	95,361	14,833	31,087
Cotton yarn and cloth	16	85,188	14,905	19,252
Clothing, men's, factory	266	83,252	14,848	19,434
Aircraft	16	77,091	17,354	38,323
Slaughtering and meatpacking	32	75,983	3,361	5,755
Tobacco, cigars and cigarettes	46	73,166	9,243	12,110
Electrical apparatus and supplies	43	62,741	12,061	21,626
Shipbuilding	12	62,565	15,496	33,507
Iron and steel prod., n.e.s.	58	61,036	5,872	12,467
Butter and cheese	1,012	57,916	4,446	5,223
Sawmills	1,873	56,109	10,774	10,147
Boots and shoes	167	55,728	13,401	15,675
Petroleum products	7	51,236	1,298	2,651
Machinery	45	45,613	7,609	12,181
Silk and art. silk goods	24	36,835	7,926	10,393
Brass and copper products	40	35,098	3,932	7,371
Hosiery and knitted goods	83	34,877	9,370	10,768
Bread, and other prod.	1,051	33,568	7,621	9,802
Primary iron and steel	16	32,797	5,745	11,349
Breweries	8	29,620	2,979	6,050
Sheet metal products	40	27,839	5,394	8,571

QUEBEC AGRICULTURE

Yield and Value of Major Field Crops, 1947

		Quantity 000	Yield per Acre	Value $000	Average Price
Wheat	bu.	334	15.3	494	1.48
Oats	bu.	30,683	22.0	24,240	0.79
Barley	bu.	2,964	18.9	3,053	1.03
Buckwheat	bu.	1,610	16.7	1,771	1.10
Mixed grains	bu.	6,339	23.0	5,959	0.94
Potatoes	cwt.	10,067	67.7	21,241	2.11
Turnips	cwt.	3,475	139.0	3,823	1.10
Hay and clover	ton	6,099	1.50	88,375	14.49
Fodder corn	ton	711	7.45	5,347	7.52
Total field crops				158,652	

One in Three Bank Branches Located in Quebec Province

Five of Canada's ten chartered banks have their head offices located in Quebec province while almost one third of the branches of the 10 banks are located there to serve business and industry. In the later months of 1947 there were approximately 1,084 branches of the chartered banks there. In addition other strong "savings" banks operate in the province

Indication of the volume of banking business transacted in Quebec is given by the bank debits figures. These bank debits are the transactions by cheque at the clearing house centres in the province. They include not only the transfer of cheques by individuals from bank to bank but within the bank branch itself, when one depositor, for example, pays another depositor of the same branch by cheque. Thus they are considered a good index of business.

In 1947, of the total cheque transaction in Canada, amounting to $74.5 billions $22.9 billions, or almost 31%, occurred in Quebec province alone. Comparisons of bank debits and branches in Quebec in the last two years, compare as follows.

	1947	1946
Branches, No.	1,084	1,069
Bank debits ($000)	22,919,909	20,749,360

GOLDHAWK PORCUPINE MINES has received payment for 20,000 shares at 10 cents a share, part of Mar. 30 installment. Issued capital is 3,094,005 shares.

PACIFIC PETROLEUMS advises that 547,333 shares have been issued in exchange for 1,642,000 shares of Atlantic Oil Co. Issued capital—1,847,333 shares.

Hydro power—and plenty of it—is required for these "pots" in a section of one of the pot rooms of the Arvida plant of Aluminum Co. Canada. Quebec's exports of aluminum are continuing at a high level, and the use of electricity to heat the pots to the extreme temperatures required is one reason for high power use.

94,000 Waiting Phones Says Bell Telephone Co.

So great is the demand for new telephones that, despite unparalleled additions, the number of applicants waiting service at end of 1947 was actually greater by 10,000 than at the end of 1946.

In many ways 1947 was the most active year in Bell Telephone Co.'s 68 years of service, the annual report for 1947 states. In no other year has so much telephone service been provided through so many telephones connected with the company's system. These achievements involved the employment of more people, the investment of more capital and the building of more telephone plants than ever before.

New construction by Bell Telephone Co. in 1947 cost $53,600,000 compared with $29 millions in 1946. The major part of the program was in buildings, mainly to house central office equipment. There were in progress or completed at the end of the year 55 projects for new buildings or to enlarge others, the company's report reveals.

The biggest single building project started during the year was the extension of the long-distance centre on Belmont St. in Montreal. Dial central office equipment capable of serving over 70,000 telephones, 105 local switchboard positions and 317,000 conductor miles of exchange wire and cable were put in service during the year.

The London-Windsor and Montreal-Trois Rivieres sections of an all-cable route to form the main artery of the long-distance system were placed in service during 1947 and work on the Trois Rivieres-Quebec section was well advanced. When ready for service, it will complete a route entirely protected in cable, from Quebec, at the eastern end of the company's territory, to Windsor at the western extremity. The cable is designed for multi-channel carrier operation and parts of it are already in use.

QUEBEC SAVINGS BANK (La Banque d'Economie de Quebec) shows higher profits, assets and deposits in its report for the year ended Nov. 29, 1947.

Total net profits were $136,490 ($135,273 in 1946). Dividends took $100,000, leaving $36,490 which added to the previous balance raises total undivided profits to $364,121.

Savings deposits rose almost $1.2 millions to $21.6 millions, while total assets were up more than $320,000 to $25.9 millions.

CONDENSED BALANCE SHEET

As at Nov. 30:	1947	1946
Cash	$1,685,940	$1,343,444
Dom. & prov. secs.	19,235,591	18,980,040
Other secs.	4,677,536	4,942,065
Bank premises	243,776	256,968
Other assets	103,401	103,711
Total assets	25,946,244	25,626,228
Savings deposits	21,677,389	20,481,254
Other liab.	904,734	1,817,344
Liab. to public	22,582,123	22,298,598
Capital stock	1,000,000	1,000,000
Reserve	2,000,000	2,000,000
Surplus	364,121	327,630
Liab. to shldrs.	3,364,121	3,327,630

Four Provinces Seek Road Aid

From Our Own Correspondent

WINNIPEG — Federal Government assistance for highway construction on a basis similar to the United States system is being asked by Manitoba, Saskatchewan, Alberta, and British Columbia Governments in a joint brief to Ottawa.

In the U. S. the Federal Government pays all costs of construction on roads through national parks, Indian reserves, the cost of certain bridges, and 50% of the cost of important trunk highways.

All such roads are designated as federal highways. Construction work is done by the state governments under supervision of state highway branches and one federal engineer for each state.

This scheme, if adopted here, would call for federal help on roads other than the Trans-Canada highway.

The Trans-Canada is far from completed in the western provinces where so far there hasn't been agreement on the route. This, it is expected will be for decision by Ottawa, if the Dominion Government agrees to contribute to the cost.

Three suggested routes have been proposed: 1. Winnipeg to Regina, Calgary, and along the Big Bend route via Banff, Field, Revelstoke to Kamloops and Vancouver; 2. Winnipeg to Regina, thence to Lethbridge, through the Crow's Nest Pass to Nelson and Trail, across the Okanagan Valley to Hope and thence to Vancouver; 3. The Evergreen Route, from Winnipeg to Portage la Prairie, thence northwest to Saskatoon and Edmonton, through the Blue River area on to Kamloops and Vancouver.

PARAMAQUE MINES advises that Federal Trading & Agency Co. did not exercise option due Dec. 3 on 50,000 shares at 15 cents. Payment and all subsequent installments have been extended for three months.

FRENCH CANADA'S DEALERS SELL AND BUY IN FRENCH!

Two major markets offer a profitable source of increased business for any manufacturer or distributor who speaks the language of French Canada—

Over 3 million French-speaking customers buy millions of dollars worth of merchandise from their French dealers in these two fields:

HARDWARE, PAINT, and ELECTRICAL Trade

French-Canadian hardware, electrical, and general stores handle over $110 millions annually. This important market is completely covered by Le Prix Courant — a French merchandising paper established over 60 years ago.

Le Prix Courant offers you more circulation, carries more advertising linage, than any other paper in the field.

GROCERY Trade

Food products valued at over $300 million are sold in French-Canadian stores (this is almost one third of the entire Canadian volume).

For this field, L'Epicier, devoted exclusively to grocery products, offers complete coverage—in French—of grocery stores, combination stores, grocery departments in general stores.

- **LEADERSHIP**—each paper has the established leadership and prestige built by 60 years of continuous service.
- **READER-INTEREST**—each ensures you of unequalled reader-interest, built by thorough personal knowledge of the field, plus exclusive editorial affiliation with Canada's leading English publications: Hardware & Metal, and Canadian Grocer.
- **COMPLETE COVERAGE**—each gives you complete coverage of its specific field in French Canada—more circulation than any other paper, and NO WASTE CIRCULATION.

Join the long list of steady advertisers who are making their French-Canadian market profitable with the aid of these outstanding publications. Write for more details and sample copies today.

LE PRIX COURANT **L'EPICIER**

(Published monthly in Montreal, in French)

1405 Peel Street, Montreal — 481 University Avenue, Toronto

"Parlez-nous de vos produits dans notre langue"

Kerr Steamships Plan Cargo Liner Service to Africa

Provision for expansion of trade between Eastern Canada and East and South Africa is being made by Kerr Steamships Ltd., Montreal, who anounce the inauguration about April 25 of a regular, fast cargo liner service between Montreal and Capetown, Port Elizabeth, East London, Durban, Lourenco Marques, Beira and Mombasa.

The service will be operated on the basis of monthly sailings which will be increased as warranted to satisfy the needs of the trade.

Principals in the new service are A/S Thor Dahl, of Sandefjord, Norway, whose senior partner is Lars Christiansen, and the service will be known as Christiansen Canadian South African Line.

A/S Thor Dahl has at present three modern 15-knot motorships under construction in the Burntisland Yards, Scotland, and these, on completion, will be entered in the new service. These vessels will have accommodation for twelve passengers and will be equipped with the latest devices for the safe and efficient handling of cargo.

—Spartan Air Services, Ltd., Ottawa.

Industry and Gov't Planning Longer Life of Quebec Forests

Quebec's forests hold the key to much of Canada's present and future prosperity.

The province's 254,163 square miles of timber lands carry pulpwood and hardwood which can eventually be converted into forest, pulp and paper products worth billions.

Last year it is estimated that more than five and a half million cords of pulpwood were produced in the province, with a dollar value close to $100.8 millions. This figure does not, however, indicate the ultimate value of the wood after it has been manufactured into wood pulp, newsprint and other types of paper products. Approximately half the pulpwood cut in Canada comes from Quebec and about the same proportion of manufactured pulp and paper products.

Thus the preservation of Quebec's forests is of importance to the nation as well as to the province itself. Both the Provincial Government and the pulp and paper industry realize that the job of forest management and protection is more than either can do alone. And the urgent necessity of carrying out a sound forestry program has become increasingly evident over the past half dozen years.

Long Hauls for Wood

Pulp and paper companies in the province are going farther and farther afield for pulpwood. Consolidated Paper brings wood from Anticosti to Three Rivers, International Paper last year started pulpwood cutting in the Hudson Bay basin, Anglo-Canadian has to transport its wood two hundred miles up the St. Lawrence to its Quebec mills.

More recently Premier Duplessis indicated in the Quebec Legislature that only three paper companies in the province had sufficient timber concessions at the present time to assure operations for more than two years. To alleviate this situation the province has over the past two years arranged, by negotiation with the various companies, a reallocation of timber limits.

In 1946 a bill granting timber concessions to eight companies in the lumber and pulp and paper industries was passed by the Quebec legislature. This year two more companies, one lumber and one pulp and paper, will get additional limits if a bill presently before the Quebec Assembly is passed.

No amount of reallocation, however, will solve the basic forestry problem in the province. Part of the forest depletion is attributable to absence of sound forest management, proper cutting methods, and a comprehensive reforestation program in past years. But Quebec's forests have been ravaged more by fire and insects. To remedy the situation both Government and industry have come forward with forest conservation plans. In Bill 24 passed last year the Government was given the following powers with respect to the forests:

(a) Limit the quantities of wood which may be cut, worked or transformed during such periods as may be fixed.

(b) Oblige any person, partnership or corporation exploiting a forest industry or undertaking utilizing the products of the forest to make reports concerning timber cut, worked or transformed and determine the form of such reports and the time when they must be produced.

The Government's Plan

Government sources have indicated that the first sections of this bill to be implemented will be those dealing with information and statistics on forest operations. When all the data has been compiled, it is likely that the Government will call in experts for an opinion on forest operations as presently conducted, and recommendations on improvement. Last year some $200,000 was spent on the assessment of forest resources.

At present the Quebec Government operates a forestry service, a protection service and a forestry school. As an aid to reforestation Quebec also maintains three permanent tree nurseries, the oldest at Berthierville established in 1908.

In addition to these projects under the direct supervision of the Ministry of Lands and Forests the Government also makes an annual grant of $12,000 to the Quebec Forestry Association and $2,000 to the Canadian Forestry Association.

Here's What Industry Is Doing

Just as important as any Government forestry program is what the forest industries themselves are doing. In 1946 the Canadian Pulp and Paper Association outlined a ten-point program on forest policy. While this statement covers the whole of Eastern Canada it applies particularly to Quebec which contributes the biggest share of the pulpwood production. Following are the points covered by the association:

1. There should be complete information through aerial photographs and surveys of all forest resources so that long-term planning will be possible.
2. Each forest operator in the industry should examine the forest area serving each producing unit to determine its present and future ability to supply the needs of that unit in perpetuity . . . Where needed, the construction of necessary road systems to permit execution of a proper forest management policy should be advocated and supported.
3. Losses of wood supplies from fire, insect infestation and disease should be reduced through the co-ordinated efforts of the forest industries and the Dominion and Provincial Government departments.
4. Each forest operator should obtain and apply the knowledge necessary to reproduce and grow forests so that the yield per acre may be increased and the period of rotation shortened.
5. Maximum use and commercial disposal should be made of all products of the forest.
6. Pulp and paper industry will seek to increase the efficiency and reduce the cost of logging by the introduction of mechanical equipment.
7. There should be greater stability and more efficient utilization of the woods labor force.
8. Each forest operator should seek to establish for its own operations a system of long-term tenure of forest lands which will permit proper execution of a long-term forest management policy.
9. Each forest operation should seek to provide and to protect the heavy capital expenditures necessary to place forest holdings under sustained yield management on a basis that will yield reasonable returns on the investment.
10. Pulp and paper industry will seek to encourage efficient forest management on private lands.

Mechanized Operations

Just how far this statement of policy is being implemented in the province is not known. Some observers feel that interim reports should be made outlining the progress made by the industry in carrying out its own policy. Last year one company provided proof that much of the forest policy was workable and an improvement on the old methods. This was Anglo-Canadian Pulp & Paper Mills which completed experimental work in the mechanization of logging and organized two mechanical units.

By mechanizing operations on its Sault au Cochon limits, Anglo-Canadian in effect implemented several of the Pulp and Paper Association's objectives. By buying and building the equipment necessary to haul and cut pulpwood it put item No. 6 into effect. At the same time it made great strides in stabilizing woods labor and putting its forest operations on a sustained yield basis.

But the problem of woods labor was and still is to a large extent the knottiest facing the pulp and paper industry. Col. Wilfrid Bovey of McGill University in a recent address stated that the worst failing in the forest industry is the fact that no attempt has ever been made to organize even a passable existence for the woodsmen. As a result, he said, there is unhappines, family troubles, and a rapid turnover of labor. He emphasized the need of properly organized villages with schools, churches and co-operatives in forest areas.

In its Forestville operations, Anglo-Canadian has tried to improve the lot of the woods laborer. To begin with, the company has introduced the mobile camp for the workers in the bush. These camps are moved on skids or wheels with the men to the area where the wood is being cut. More important from the worker's standpoint than mobility is the improvement in the camps themselves. These are not the hewn-log shanties and tarpaper-covered shacks which formerly were standard in accommodation. Anglo's camps, designed somewhat after the army type, are sturdy, white and clean. They are equipped with electricity and spring beds. In the dining hall food is served cafeteria style and food is sanitarily prepared with modern cooking equipment.

Make Workers More Content

These improvements in bush life are making the woods laborer more content.

Under the old-style methods a bushman's chief object once he started work was to make a few dollars then get out. This type of worker is not good either for the company he works for or the forests. An itinerant worker is generally more careless about fire prevention and about his day's work.

By providing better living conditions plus mechanization Anglo is out to give the bush worker a year-round job. By doing so the company accomplishes many objectives at once. It can (a) plan its cutting operations to better advantage; (b) improve forest protection; (c) estimate costs more accurately. Mechanization is also helpng in forest protection by more forest roads.

Camp mobility also means the woods worker can now enjoy some kind of family life. Forestville, for example, is a permanent community with church, school, hospital, and community centre. It is connected with the logging camps by good roads and it is unlikely that the units in the bush would ever be more than 50 miles from the town. This means that the bush worker whose family lives in Forestville is always within commuting distance. He can go home on week ends or during the week if necessary. The social benefits in this revolution in logging methods have not yet been fully assessed. Instead of the woods worker being part farmer, part fisherman or part construction worker he can now become a full-time skilled forest operator.

In a province which depends on forest products for a large part of its income, the problem of woods labor has been largely overlooked until recently; and forest operators are the first to admit it. Anglo-Canadian's move toward mechanization and improvement of the working conditions in the woods points the way to the future. Many other companies in the province are also operating on a mechanized basis in varying degrees.

As yet the new forest deal in the province is only started. Government, industry and citizens still have a big job ahead.

Plan Shaft Extension At Lingman Lake G. M.

Surface diamond drilling is being carried out at Lingman Lake Gold Mines pending arrival of additional supplies to carry the shaft to depth of 400 ft., The Financial Post is advised. On completion of new sinking program, the 400-ft. level will be explored on north and south zones, which gave values from 0.31 to 1.22 oz. on first and second levels.

Surface drilling was temporarily delayed due to cold weather, but has been resumed. Tractor trains have started hauling freight from Ilford, Man., to the property.

POSTWAR CAPITAL EXPENDITURES

More than $6,500,000. spent in improvements

New Vehicles — We have purchased 230 gasoline buses and trolley coaches. If these vehicles were placed end to end they would cover a distance of 1½ miles. Their total cost is ....$ 4,110,000.

New buildings—Another garage and a modern repair shop for buses have been built at a cost of over ....$ 1,500,000.

New tracks — We have built 20½ miles of new tracks at a cost of ......$ 898,000.

Two-way Radio Communication—To provide more rapid clearance of obstructions and other causes of delays to tram and bus services, a two-way radio system has been installed in 17 emergency vehicles at a cost of ....$ 35,000.

N.B.: In the first 11 months of 1947, we carried 1,799,820 more passengers and our vehicles travelled 1,015,425 more miles than in the same period of the previous year.

MONTREAL TRAMWAYS COMPANY

ALFRED LAMBERT
INCORPORATED

MANUFACTURERS
WHOLESALERS
and
EXPORTERS
of
LEATHER, RUBBER
and
TENNIS FOOTWEAR

HEAD OFFICE
50 St. Paul St. West
MONTREAL

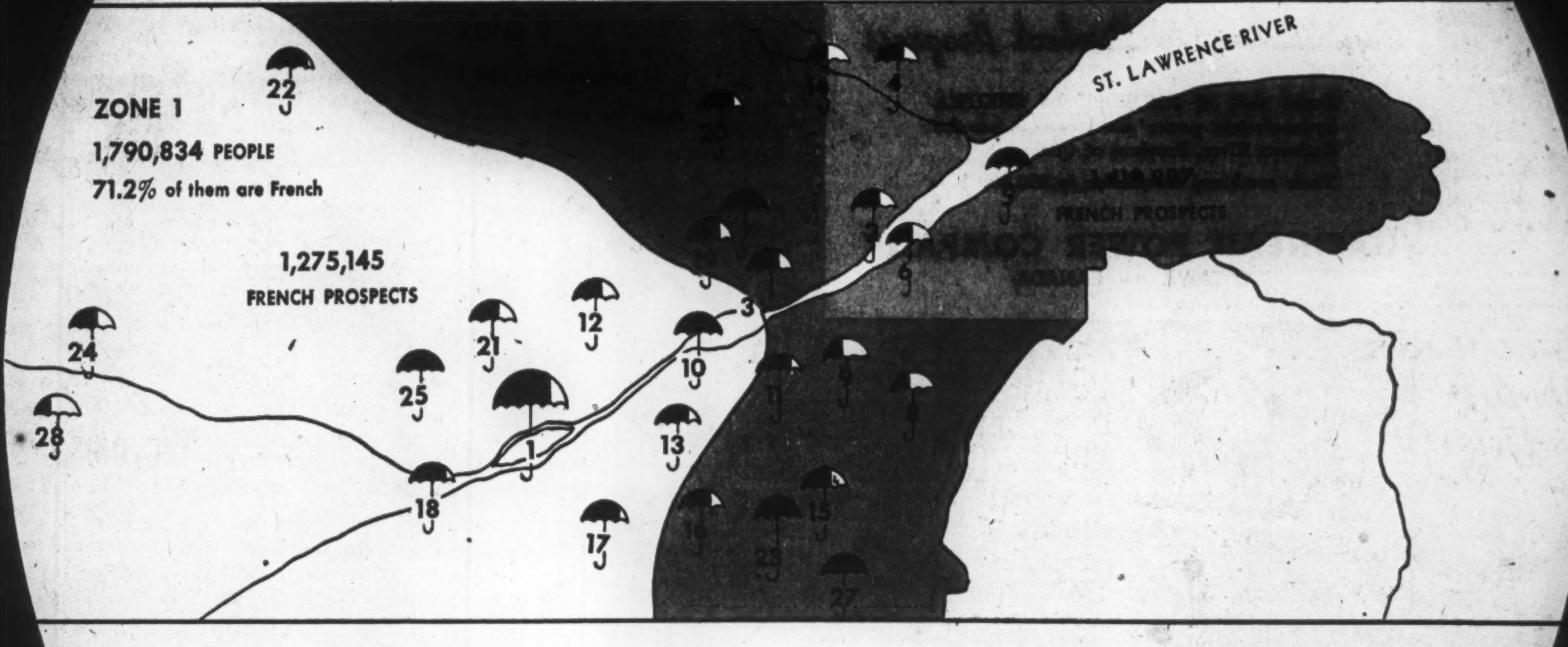
FACTORIES
ACTON SHOE CO.
ACTON RUBBER CO. LIMITED
ACTON - VALE, P.Q.

WEEK-END La Patrie WEEK-END

Blankets

27 Key Markets in Quebec Province

Accounting for 74.9% of Quebec Province Retail Sales.



	Total French Families	Percent Coverage		Total French Families	Percent Coverage		Total French Families	Percent Coverage		Total French Families	Percent Coverage
1 Montreal	167,889	80%	8 Thetford Mines	2,639	★ 44%	15 Sherbrooke	7,776	★ 70%	22 Rouyn	1,490	93%
2 Quebec	36,131	★ 63%	9 Victoriaville	2,212	★ 42%	16 Granby	3,574	★ 73%	23 Magog	1,113	★100%
3 Three Rivers (incl. Cap de la Madeleine)	10,190	★ 72%	10 Sorel	2,484	100%	17 St. Jean	3,241	90%	24 Hull	8,214	62%
4 Chicoutimi	4,106	★ 72%	11 Drummondville	3,584	★ 85%	18 Valleyfield	3,678	86%	25 Lachute Mills	600	90%
5 Riviere du Loup	433	★100%	12 Joliette	3,278	71%	19 Shawinigan Falls	4,798	★ 75%	26 Val d'Or	496	★100%
6 Levis	4,970	★ 60%	13 St. Hyacinthe	4,573	80%	20 LaTuque	1,431	★ 80%	27 Coaticook	673	★100%
7 Grand'Mere	936	100%	14 Jonquiere-Kenogami	4,492	★ 50%	21 St. Jerome	3,506	60%	28 Ottawa	8,753	37%

★ COVERS ZONE 2 AS WELL AS ZONE 1.

COVERS more than four out of every five French speaking homes in the rich Montreal Market.

COVERS more than one out of every two French speaking homes in the Province of Quebec

COVERS 37% of the French households in the city of Ottawa.

WEEK-END LA PATRIE

Province's Finances Are Healthy Accord with Ottawa Still Lags

Another financial year in the life of the Quebec Government is just about over, with no apparent progress made on tax argeement with the Federal Government. With this in mind, Premier Duplessis is asking the present session of the Quebec Legislature to give him another year, until March 31, 1949, in which to arrive at a satisfactory arrangement with Ottawa.

With the passage of time, this problem of a tax agreement becomes more urgent. At the present high level of national income, the problem of provincial revenue is not particularly pressing. Failing a rapprochement with Ottawa, however, the threat of double taxation in the personal income tax field hangs over the heads of government and citizens alike. Such a contingency would be politically distasteful to the government; just plain distasteful to the ordinary Quebecker. In his budget speech last year, however, Provincial Treasurer Hon. Onesime Gagnon left the door open when he said: "If the Government has deemed it advisable not to re-establish this tax (personal income), it should not be inferred that it abandons its rights or priority over the revenues of individuals. It simply believes that the excellent present financial position of the province does not oblige the Government to raise revenue from this source."

Big Surplus Forecast

Provincial finances for the years ending March 31, 1947 and 1948 appear to be in a healthy condition. For the 1947 year the Government showed a surplus of revenue over all expenditure of $2.2 millions. Total revenues were $133.4 millions and expenditures $131.2. While actual results for 1948 have not yet been announced. Mr. Gagnon last year budgeted for an over-all surplus of $9.6 millions. Actually, however, this surplus represented approximately one half of a Dominion Government payment of 20.6 millions for tax arrears, which had been left with it in accordance with the 1942 Dominion-Provincial agreement.

On the other hand, some observers believe that estimates for revenues for the 1947-48 year may have been on the conservative side; which, if true would indicate a somewhat bigger surplus. In the public accounts recently tabled by the Provincial Treasurer for the year 1946-47 most revenue items showed an increase over the previous year. With incomes at the same or higher levels, chances are that further increases will be chalked up when the budget is presented this spring. For purposes of comparison, the accompanying table shows actual receipts in 1946-47, the increase over the previous year and budget estimates for the same items in the 1947-48 budget.

Aid For Education

The increase in succession duties in 1946-47 is said partly due to changes made in accounting methods for deferred revenues; the figure is actually for 14 months instead of twelve. This accounts for $3.3 millions of the $5 millions increase. The drop in the sales tax for the 1946-47 year is due to the fact that half the proceeds go to the education fund. Thus the revenue from sales tax actually shows an increase of $4.3 millions.

WHERE QUEBEC GETS ITS REVENUE

Source of Revenue:	Revenues 1946-47	Increase	Estimates 1947-48
Transfer of shares, etc.	$ 783,307	$ 171,875	$ 750,000
Tobacco	5,493,651	507,551	5,700,000
Retail sales	9,907,321	5,327,748	9,000,000
Gasoline	16,468,730	3,519,631	22,250,000
Succession duties	11,353,143	5,054,306	7,000,000
Corporation tax	15,779,843	61,395	20,500,000
Income tax	2,527,210	57,018	....
Railway subsidies	7,037	....	....
Liquor permits	7,522,161	646,878	7,000,000
Motor licenses	9,551,467	1,377,837	9,900,000
Licenses of hotels, etc.	396,472	32,733	400,000
Natural resources	17,831,642	5,200,361	14,057,700
Education fund	6,165,484	6,165,484	7,870,000
Liquor Commission	21,192,889	5,972,215	13,500,000
Federal subsidy	2,739,129	....	2,739,100
Interest	2,697,916	394,678	2,541,700
Fees, fines, etc.	2,570,155	233,780	1,379,600
Pension Act	418,333	515,774	1,100,000
Reimbursement of arrears from Federal Govt.	....	....	20,586,000

While revenues from the Education Fund only show $6.1 millions, the total received by this Fund for 1946-47 was $14,179,776. Of this, 8,014,291 was spent in grants to school corporations, leaving the figure of $6.1 millions which is actually shown. Under the act setting up the Fund, any balance left at the end of the year is paid into the consolidated accounts, to be used for educational purposes in the ensuing year.

According to the foregoing 1947-48 estimates, the education fund will receive $7.8 millions during the year, after deducting a payment of $6.6 millions to the department of education. Thus in effect the Education Fund had a total of approximately $13.9 millions to spend on education in 1947-48, apart from the $4.5 millions appropriated for the Department of Education. Mr. Gagnon did not state in last year's budget speech just how this money would be spent.

The Education Fund was set up in 1946 at the time the province agreed to take over the debts of the school boards. Revenues of the Fund come from four sources: (a) one half the sales tax (b) a charge on electricity produced in the province (c) stumpage dues (d) Quebec Hydro Electric Commission. In 1946-47 these four sources contributed $9.7 millions from sales tax; $1.5 millions from electricity tax; $112,594 from stumpage dues; $2.8 millions from Quebec Hydro (a fixed annual amount).

Liquidating School Debts

In its attempts to bail out the school commissions, the province has met with considerable success. Bonds of the schools were replaced with bonds issued by the Quebec Municipal Commission. In addition, the Municipal Commission is paying off in cash all the temporary loans. By this procedure, the debts of some 1,700 school commissions were disposed of, which represented about 98% of school obligations.

The province has also reduced its own debt. During the 1946-47 year net debt dropped $14,496,261 to $284,915,911. During the year the public provincial debt cost the province $20.6 millions made up of $10.1 millions in interest, $9.8 millions in sinking fund, $772,887 for amortization of premium discount. Contingent liabilities of the province on issues guaranteed by it totalled $61.4 millions at the end of the year. Of this $11 millions was represented by Quebec Hydro Electric Commission debt and $31.9 millions by the public charities fund. It is likely, however, that the provincial debt will show an increase in 1947-48 reflecting the school commission's debt assumed by the province, of over $60 millions.

As pointed out earlier Quebec's financial situation at present is bright. There is little doubt, however, that government officials would like to see an agreement negotiated with Ottawa. Should provincial revenues show signs of declining, Quebec may make more vigorous protests to Ottawa on the tax question. So far, however, no government spokesman has indicated that the province is ready to back down from its stand on the tax question: i.e. that the principal authority for imposing taxes rests with the provincial governments.

Municipal, Hospitals Subsidized by Province of Quebec, and Religious Institutions Securities

OSCAR DUBE & CO. INC.
105 MOUNTAIN HILL
QUEBEC
QUE.

DONNACONA PAPER COMPANY
LIMITED
Woodpulp and Sulphite Pulp Mills, Newsprint
Donnacona Board and other Pulpwood Products

CAPACITY OF MILLS
95,000 Tons Newsprint
96,000 Tons Groundwood Pulp
50,000 Tons Sulphite Pulp
80,000,000 sq. ft. Insulating and Building Board

Head Office "Kent House" 25 St. Louis Street Quebec City

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BELDING - CORTICELLI LTD. net profit in 1947 was 16.91% above previous year's finish, after allowing for a $150,000 reserve for inventory reduction ($75,000 plant improvement reserve in 1946). Sales were largest in company history, President W. P. MacDougall states.

Reductions in Canadian tariff rates following the Geneva conference are not likely immediately to affect company's business while high prices prevail abroad; however, when competititon is keen these reductions may be serious, President MacDougall adds. Narrowing of the British preferences may adversely affect volume of export trade which the company has enjoyed in Empire countries for many years.

The program of replacements and modernization continued, with new machinery and equipment amounting to $204,110 being put into operation.

INCOME ACCOUNT

Years Ended Nov. 30:	1947	1946
Net earnings	$695,558	$604,085
Less: Deprec.	196,634	175,464
Income tax res.	181,113	187,572
Employ. pens. fd.	19,036	38,801
Plant improv. res.	......	75,000
Invent. res.	150,000	......
Net profit	148,775	127,248
Less: Pref. divds.	60,571	60,571
Common divds.	59,960	56,212
Surplus for year	28,244	10,465
Earnings per Share and Dividend Record:		
Preferred	$17.19	$14.71
Paid	7.00	7.00
Common	11.77	8.90
Paid	6.00+2.00*	5.50+2.00*

*Of which $1 in 1947, $2 in 1946, applied to previous year.

CONDENSED BALANCE SHEET

As at Nov. 30:	1947	1946
Cash & govt. bds.	$161,951	$503,846
Accts. rec.	806,618	579,876
Inventories	1,072,958	905,741
Total curr. assets	2,041,527	1,989,463
Prepd. chgs.▲	191,307	199,254
Fixed assets†	1,096,710	1,024,471
Total assets	3,329,544	3,213,188
Total curr. liab.	549,998	428,433
Due pens. fund	168,581	......
Reserves	317,189	317,256
Capital stock	1,614,800	1,614,800
Capital surplus	74,000	74,000
Surplus▲	‡604,976	778,699
†After depr. of	2,583,876	2,452,005
▲Incl. ref. EPT	114,474	120,784
‡After charging $168,581 balance of pens. fund contrib.		
Working capital	1,491,529	1,561,030

CHARTERED TRUST & EXECUTOR CO. net profits in 1947 were practically unchanged from the previous year's close. Estates, trusts and agencies under administration increased 18% to $31,761,082. Guaranteed trust account rose $1,483,089 to $10,920,428.

Mortgages jumped from $710,943 to $816,177. An amount of $50,000 was transferred to rest account, which totalled $800,000 at end of 1947.

	1947	1946
Liab. to public, etc.*	$10,994,060	$9,580,773
Shareholders' equity	1,897,029	1,845,092
*Secured by:		
Mortgages	816,177	710,943
Office premises	341,785	343,403
Liquid assets†	11,733,127	10,371,519
Total	12,891,089	11,425,865
†Includes bonds and stocks.		
Estates account	31,761,082	26,924,435
Earned per share	$10.19	$10.19
Paid	5.00	5.00

INDUSTRIAL MORTGAGE & TRUST CO. net profits in 1947 were $750 lower at $61,816. Mortgages and sales agreements increased from $2,333,419 to $2,466,795. Estates, trusts and agencies accounts under administratiton were $135,944 higher at $1,076,764.

	1947	1946
Liab. to public, etc.	$5,906,929	$5,573,445
Shareholders' equity	1,064,982	1,044,441
*Secured by:		
Mtges. & sls. agree.	2,466,795	2,333,419
Realty for sale†	1	1
Office premises	84,433	59,922
Liquid assets‡	4,420,682	4,224,544
Total	6,971,911	6,617,886
†Less reserve. ‡Includes bonds and stocks.		
Estates account	1,076,764	940,820
Earned per share	$4.87	$4.93
Paid	2.50+0.75	2.50+0.75

CANADIAN INVESTMENT FUND 1947 net profit was up 8.9%. Balance of realized profits on sales of investments amounted to $1,188,136. Quoted market value of investment exceeded their average cost by $1,358,752. Total net assets at end of 1947, with securities valued at market quotations, amounted to $12,554,079.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Total income	$580,516	$549,763
Less: Fees, ex., tax., disc., etc.	85,824	88,785
Inc. & prof. taxes	17,928	23,360
Net profit	476,764	437,618
Less: Divds. paid	519,602	497,221
Deficit for year	42,838	59,603
Earnings per Share and Dividend Record:		
Spec. & Ord.: Earn.‡	$0.184	$0.176
Paid	0.20	0.20

‡Based on average number of shares outstanding as calculated from dividends paid.

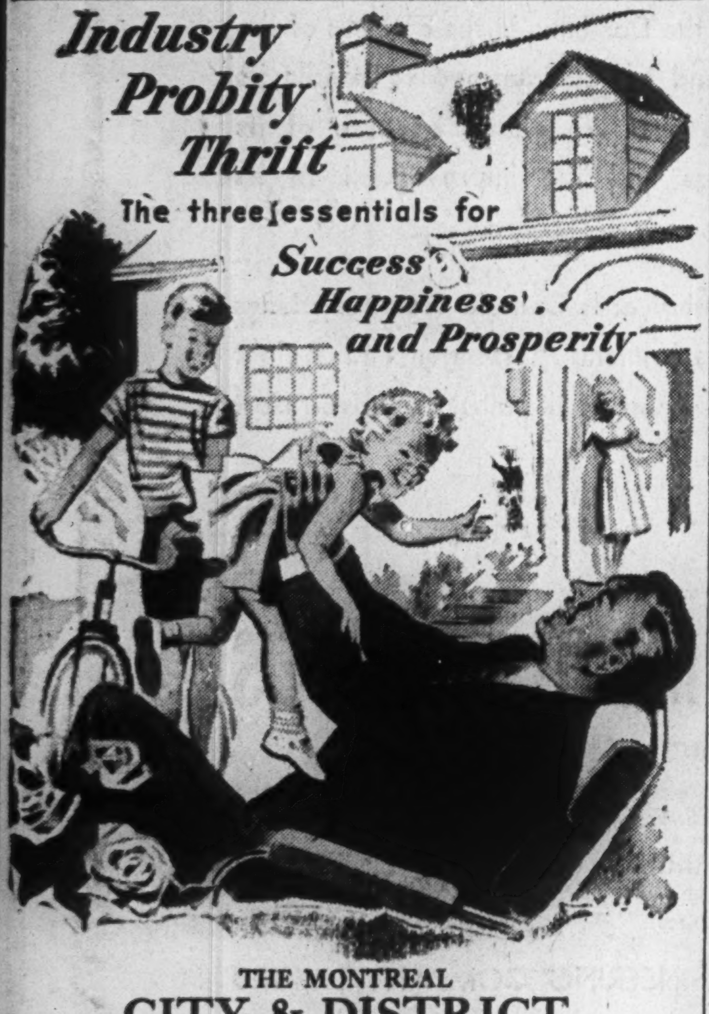
CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$633,320	$527,335
Invest. at cost▲	10,629,390	9,441,032
Accts. rec., etc.	112,748	84,578
Total assets	11,375,458	10,052,995
Accts., tax., etc., pay.	180,131	35,446
Capital stock	2,723,831	2,520,318
Surplus	8,471,496	7,497,231
▲Market value	11,988,143	11,285,897

ORLAC RED LAKE GOLD MINES says that interesting results are developing from magnetometer survey now nearing completion. Full details of the survey and a map outlining results are expected shortly.

J.N.E. GRENIER—president — J. P. E. RUEL—vice-president
SPECIALTIES — Government, Municipal, Religious Institutions and Public Utilities
GRENIER, RUEL & CO. INC.
TELEPHONE: 6101 71 ST-PETER ST. QUEBEC
Investment Dealers

M. A. N. Z. LINE LTD.
INCORPORATED IN CANADA
REGULAR SAILINGS, TO AND FROM
EASTERN CANADA - AUSTRALIA and NEW ZEALAND
Separate Services
AUSTRALIAN PORTS: BRISBANE, SYDNEY, MELBOURNE, ADELAIDE
NEW ZEALAND PORTS: AUCKLAND, WELLINGTON, LYTTLETON, DUNEDIN
Service to other Australian and New Zealand ports and also to Tasmania can be arranged.
Full information on application to
MONTREAL AUSTRALIA NEW ZEALAND LINE LTD.
211 Coristine Bldg. Montreal, Can.



THE MONTREAL
CITY & DISTRICT
SAVINGS BANK
Established in 1846
Safety Deposit Boxes at all Our Offices
BRANCHES IN ALL PARTS OF THE CITY AND IN VERDUN

Convertibles

or Bicycles

LOOK at the record of the Big Four National Week-end Newspapers! In major cities they reach 90.2% of the families. In cities of 10,000 to 25,000 it is 83.3%. In centres 2,500 to 10,000 it moves up to 94.2%. Your research department will tell you that with such blanket coverage you reach *both* the convertible and the bicycle income bracket buyers.

And if it is the higher income buyer you are particularly interested in reaching . . . look at the class reader appeal of the Rotogravure section. The convertible buyers contribute to its survey-proved 90% readership traffic just as much as the bicycle buyers. And you can sell *both* of them in either eye-arresting monotone or strikingly effective colour . . . at a cost for full-page, four-colour of $1.29 per thousand readers, or full-page monotone at 98c. per thousand readers. It merits your serious consideration in 1948!

There is no substitute for circulation — at low cost!

THE STANDARD
SUNDAY LA PATRIE
LA PRESSE
STAR WEEKLY

THE BIG FOUR National WEEK-END NEWSPAPERS OF CANADA

Quebec Now Pushing Back Its Mining Frontiers As World Clamors For Iron Ore, Base Metals

More major new mining undertakings are in progress in Quebec — or are on the "drawing boards" — than at any time in the last decade.

Spurred by a "bull market" in base metals, a growing shortage of iron ore in the United States, and a new subsidy on gold mining, the province's mining industry is once again pushing out to new frontiers.

Possibly for the first time, mineral explorers are carrying out big exploration programs right up to the shores of Hudson Bay and the great tidal basin of Ungava Bay.

Among the biggest new mining and metallurgical projects advanced are the following:

1. A major development program for opening up indicated major iron ore resources of New Quebec by Hollinger North Shore Exploration Co.

This project, to be carried out in conjunction with the Hollinger-financed Labrador Mining & Exploration Co. program, is expected to lead to construction of a railroad 350 miles long, a major hydro-power development (possibly on the nearby north-flowing Kaniapiskau River).

2. The definitely scheduled placing in production of the big gold-copper-zinc mine of Quemont Mining Corp. in the Rouyn area with a 2,000-ton mill expected in operation about mid-1949.

This property will turn out gold plus copper and zinc concentrates with gold values possibly forming half of the net recovered values.

3. The production program of East Sullivan Mines embracing the placing of a 2,000-ton plant in operation before the conclusion of the current year.

Underground development of the East Sullivan property has expanded substantially the tonnage of ore indicated by surface drilling. This Noranda-financed project appears to have an excellent productive career ahead.

4. Project under consideration for the spending of more than $10 millions for a smelter on the north shore of the St. Lawrence for recovery of titanium and sponge iron from the titaniferous sands along the Romaine River.

This proposal is apparently receiving the careful consideration of Kennecott Copper Corp., big U. S. copper producer.

5. A project, temporarily deferred, for construction of a zinc smelter in the Province of Quebec in the Arvida area.

Cost of such a project would apparently be in the neighborhood of $15 millions under present economics. The project has been shelved until economic conditions change and/or government authorities are prepared to lend some assistance. If a zinc refinery existed in Eastern Canada, resources of U. S. dollars would be increased, it has been pointed out.

6. A plant under consideration by Noranda Mines which would result in the turning out of 200,000 tons of sulphur a year plus a substantial tonnage of pig iron.

Pilot plant operation has already indicated that the sulphur and iron values contained in very extensive low-gold-bearing material in the lower reaches of the Horne mine can be recovered profitably. Kinks in the process are being ironed out. A final decision on this plant may be made in the next few months.

7. New mills under consideration for a number of gold mining projects including, New Rouyn Merger, Duquesne, Heva, Lake Wasa, and others.

Rising costs have served to curtail activities in Quebec gold mining areas. But the increased supply of labor and the gold subsidy are serving to stimulate interest.

Metal Search Is Broad

There is much "close in" concentrated activity in the outlining of base metal possibilities. Macdonald, Eldona, Osiko, Donalda, Insco, are just a few of those active in the Rouyn area. In the Bourlamaque area, Centremaque and D'Aragon have been seeking base metals on ground adjoining East Sullivan.

But operators farther afield have been after big game. Plenty of good chances have been disclosed. Dome Mines has very rich zinc-silver showings in the Bachelor Lake area, is commencing a drill exploration program. Gulf Lead Mines, which holds a concession on the east shore of Hudson Bay in the Richmond Gulf sector, has had several drills at work testing lead-bearing formation. It was this territory from which the Hudson Bay Co. used to ship lead ore as "ballast" hundreds of years ago.

Iron Search Detailed

No mining exploration project in recent years has had the "glamour" of the projected development of iron ore by Hollinger in the Labrador trough where it strikes northward across the Labrador-Quebec boundary. Norancon, Fort Chimo, Quebec-Labrador Development Co. and Fenimore Iron Mines have secured a string of concessions stretching north from the Hollinger North Shore ground right up to Ungava Bay. Their exploration programs have been chiefly of a reconnaissance character. The real search for iron ore deposits north of the Hollinger concessions is only now getting well under way.

Hollinger has plans for stepping up substantially its program for the outlining of various ore bodies by churn drilling. No official estimate of over-all iron ore reserves has yet been given out but an estimate is expected to be available when the annual reports of Hollinger Consolidated Gold Mines and Labrador Mining & Exploration Co. are released later this year. Combined reserves of the two contiguous concessions should be well beyond 100 million tons by now, according to preliminary guestimates. Iron content of the deposits ranges well above 50%. The company has been fortunate in that impurities have been uniformly low.

"Home of The Mines"

Most of Quebec's established gold and base metal mining activity is concentrated in a great area of greenstones lying immediately to the east of the Ontario-Quebec border. Here are found along an east-west belt of 100 miles the great camps of Rouyn, Cadillac, Malartic, Bourlamaque, Louvicourt and Pershing.

Most of these areas actually border the southern part of this great favorable mass of greenstone rocks. The rocks stretch for a good hundred miles north of the transcontinental tracks and there appears to be almost unlimited favorable prospecting ground for improved exploration methods now being evolved.

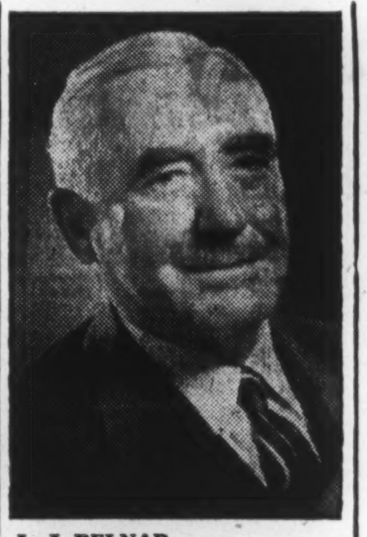
New Gold Mines Brought In

Despite the great difficulties facing new gold mines, more new gold mines have been placed in production in Quebec in recent years than in any other Canadian province. These new gold producers comprise Louvicourt Goldfield, New Marlon, and Elder. It is quite possible that the province will maintain this lead if the "profitability" of gold mining permits other deposits to be operated. One of the factors that makes mining a "sheet anchor" of the Quebec economy is the wide diversification of mineral resources. Besides the precious metals gold and silver, and base metals of copper, lead and zinc, Quebec is a noted producer of other minerals. It is the world's foremost producer of asbestos — in great demand in recent years.

Because there are great resources of power in Quebec, the Eastern Canada province is a foremost producer of low-cost aluminum even though the ore of aluminum, bauxite, is not produced in Canada.

Feldspar and brucite are two little known minerals which Quebec produces. They play no little part in the province's economy.

While some years will probably elapse before large-scale mining of iron resources can be undertaken, iron ore may at some future date form the basis of an important iron and steel industry in the province of Quebec.



L. J. BELNAP

of Montreal, has been elected chairman of the executive board of the Canadian Pulp & Paper Association.

NEW ROUYN MERGER MINES Feb. 1 installment of 83,333 shares at 60 cents has not been exercised and balance of agreement with Noranda Mines, J. R. Strathy, Samuel J. Zacks, John I. Florence and Ventures Ltd., has been terminated by default.

EAST AMPHI GOLD MINES says that by Jan. 16 resolution of directors 30,000 shares have been issued to Howey Gold Mines at 30 cents, part of block of 240,000 shares under option to Howey Gold Mines at 55 cents a share. Issued capital is 2,790,010 shares.

L. G. BEAUBIEN & Co.
STOCK BROKERS

MEMBERS
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
AND CANADIAN COMMODITY EXCHANGE

221 NOTRE DAME STREET, WEST
MONTREAL 1

L. G. BEAUBIEN & Co., LIMITED
INVESTMENT DEALERS

Specialists in Securities Originating in the PROVINCE of QUEBEC

Government, Municipal, Corporation,
School Commissions, Parishes and Fabriques,
Religious Institutions.

221 NOTRE DAME STREET, WEST
MONTREAL 1

Quebec - Ottawa - Trois Rivières - Sherbrooke - St. Hyacinthe - Shawinigan Falls
Paris - Brussels

Forget & Forget

MEMBERS:
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET

Forget & Forget
LIMITED
Investment Dealers

Telephone: Belair 3951
51 St. James St. W., Montreal

More than 4 out of 5 French Families in the city zone are regular readers of LE DROIT

LE DROIT is the Front Door to the $70,000,000 French Market in the Ottawa Valley

Upward of $70 millions is spent by French Canadians of this market in a normal year on groceries, clothing, drug items, furniture, automotive and general merchandise. Four out of ten of the inhabitants of this area are French Canadians. The most effective way to carry your sales message into more than 24,500 French homes every day is through Le Droit—the paper that has served these people faithfully for 34 years.

LE DROIT
★ OWNS AND OPERATES CKCH ★

HEAD OFFICE, 360 DALHOUSIE ST., OTTAWA, ONT. ★ TORONTO OFFICE, D. L. BOUFFORD, 112 YONGE ST., WA. 8509

Looking Ahead . . .

Proud of its record during the years of war when it built the sturdy ships that helped speed the Victory, the Davie Shipbuilding and Repairing Company Limited, has now reconverted for the construction of peacetime vessels that will assist in the development of Canada's vital export trade. At the Lauzon yards, in the Province of Quebec, and in other yards strategically situated on the Great Lakes, Canada Steamship Lines and its subsidiaries can contribute its share to any programme of shipping rehabilitation.

Canada Steamship Lines looks forward to the ever-growing status of the Dominion in the councils of the United Nations and is well-equipped to handle its share of the job that lies ahead because of its increased holdings and the improvement to its physical property.

In addition to its shipyards Canada Steamship Lines operates the finest inland passenger and freight vessels afloat, and some of the most exclusive resort hotels on the Continent.

CANADA STEAMSHIP LINES
715 Victoria Square, Montreal

Shipbuilding Subsidiaries
DAVIE SHIPBUILDING & REPAIRING COMPANY LIMITED
Lauzon, Que.

CANADIAN SHIPBUILDING & ENGINEERING COMPANY LIMITED
Collingwood Kingston Port Arthur Midland

Here's Text of Quebec Court Decision Disallowing St. Lawrence Corp. Plan

A few weeks ago Mr. Justice Boyer of the Quebec Superior Court handed down his decision on the proposed compromise or arrangement of St. Lawrence Corp. As a result of his decision the reorganization plan, which had been approved by the majority of shareholders, was disallowed. This decision could have important and far-reaching effects on business, not only in Quebec but across the country, since other companies may from time to time wish to effect capital reorganizations. In view of this The Financial Post is publishing the full text of Justice Boyer's judgment.

Text of the judgment follows:

The Court, having heard the parties and the evidence, taken communication of the proceedings and 70 odd documents filed and the able and exhaustive factums filed and deliberated;

Seeing:

The contestants having established that they received no notice of the application upon which judgment was rendered on the 22nd December, 1947, approving the arrangement in question herein, pray for the revision of the same and disapproval thereof;

The arrangement is based on Section 122 of the Companies' Act which provides for the reorganizing of the capital structure of companies.

The points in issue are the validity of the vote, the nature of the information given to the shareholders and the fairness of the arrangement about which new facts and arguments were adduced.

The Proposed Arrangement

The arrangement in question would replace the existing preferred shares of $50.00 par value carrying a $2.00 a year cumulative dividend by an equal number of first preferred shares of $49.00 par value, carrying an equal cumulative dividend and the wiping out of the accrued dividends of $21.00 on the old preferred share and giving the holders thereof an equal number of $1.00 par value second preferred shares entitled to cumulative dividend of fifty cents a year in lieu of the accumulated arrears of dividends amounting to $21.00 on the original preferred shares.

A sinking fund of one half (½) of the profits after payment of expenses and dividends on the first preferred shares is established to retire the second preferred shares periodically by lot, at $21.00 a share.

These second preferred shares are evidently created to compensate the original preferred shareholders for the loss of the accumulated dividends to which they are entitled.

The common shareholders retain the same number of shares as heretofore and are not called upon to give up anything.

It is evident accordingly that the arrangement is for the sole benefit of the common shareholders, for, by delaying the payment of the accumulated dividends, their position is not only no worse, but it is improved, as it will have the effect of hastening the time when they may receive a dividend.

Effect on Preferred

On the other hand, the position of the preferred shareholders is impaired because the payment of the accumulated dividends to which they are entitled is deferred and because, though the prospect of their being paid while good now in view of the present inflation and vastly increased price of newsprint (almost double) may not be so good in the course of time when there may be a depression, as occurred after the first war.

The arrangement is not in the interest of the company, as the accrued dividends are not a debt of the company and do not affect its financial position and solvency.

The arrangement accordingly is for the sole benefit of the common shareholders.

It is true the arrangement was approved by a large majority, but a large number of shareholders who voted for it were necessarily influenced by their holdings of common shares such as Van Alstyne, whose company held 150,647 common shares as against 2,550 preferred and the Timmins concern which held 26,993 common shares as against 14,900 preferred shares.

The Board of Directors in their own right and by proxies representing 20,819 preferred shares and 231,263 common shares, voted for the arrangement.

The arrangement would certainly affect the common shares favorably on the stock market and even a five or 10 point rise would net the Alstyne concern $753,235 or $1,506,470, which is more than the $21 accrued dividends.

The arrangement was proposed by the board after its composition had been increased from nine to 15 members and Van Alstyne, a broker, whose firm owned 150,647 common shares, became a director, as well as Timmins.

Directors' Holdings

The directors did not inform the shareholders of these holdings, and the profit and loss account of the subsidiary companies were not submitted, and the fact that the price of newsprint had increased several times, almost doubled, that the profit had increased considerably, and would accordingly increase still more.

On the other hand, the shareholders were advised that the arrangement was in the interest of the company and of all the shareholders, which is not the case.

Moreover, the documents sent to the shareholders to favor the arrangement, included a letter of the Provincial Premier who controls the wood limits, which though it did not endorse the arrangement, was certainly sent with a view to favor its acceptance, as otherwise, there was no reason for including it.

It is also true that a shareholders representative Committee, approved of the arrangement and recommended it, but it was constituted as follows:

The Manager of a local Trust Company took upon himself to appoint himself a Committee of one, and to himself added several other trust or financial officials to this committee. Seven of them owned no preferred shares, one owned one, two owned five each; one, 175 and Timmins already mentioned, 100.

It is this committee which the shareholders naturally figured to be interested like themselves and acting in their best interest, which not only approved the arrangement but sent out letters to that effect and solicited proxies in favor of it.

These letters were sent by the Secretary of the Committee, an employee of the first mentioned Trust Manager, with special mention of the names of the members of this committee in the margin and their high sounding qualifications.

It must be said in their favor that no special proof was made of meetings by them though several live in New York and elsewhere, and that they approved the arrangement and the canvassing in their name.

It is claimed however by the company that if this committee was not representative, their recommendation is valuable as they are financial experts.

As far as that goes, the opinion of experts does not bind the court, and is only of assistance when they give facts and reasons in support thereof, and here, none were given by them as they were not heard and none were given anyone else on their behalf or otherwise.

Object of the Law

As regards the principle concerning the matter in the first place, the object of this section of the law is to enable a company to finance by issue of bonds or stock which might not be readily saleable without a reorganization of the capital structure of the company; in other words, in the interest of the company.

It is in the nature of a compromise where each class makes some sacrifice of its rights and privilege and must be substantially fair.

The interested parties must be given fair information before the meeting for **at the meeting, the directors have already the favourable proxies in their possession,** and the votes must be given in the interest of the class to which the voter belongs and must not be influenced by other interest.

Wherefore:

Seeing insufficient and incorrect and misleading information was given to the shareholders, that the legal majority was not voted in the interest of the class of preferred shares, the arrangement is in the sole interest of the common shareholders and is unfair; doth revise and annul the judgment of the 22nd December, 1947 approving the arrangement, doth refuse to approve and doth disapprove it, with costs against the Company.

Rendered and delivered this 27th day of January, 1948.

Louis Boyer, J.S.C.

True copy.
August Quesnel,
Deputy P.S.C.

In hundreds of pulpcutting camps across the province, this scene is repeated daily as Quebec companies "stamp" their brand on the logs, to prevent confusion when they reach the mills at the end of the Spring drive. Here a worker stamps the "G" for Gatineau wood bound for Canadian International Paper Co.

GOLDHAWK PORCUPINE MINES Jan. 22 installment of 100,000 shares at 15 cents a share has not been exercised and agreement with Trafalgar Syndicate has been terminated for default. By Jan. 30 agreement with same company 30,000 shares have been underwritten at 10 cents a share and 820,000 shares optioned at 10 to 50 cents. Upon issue of underwritten stock issued capital will be 3,074,005 shares.

KELWREN GOLD MINES advises that a total of 175,000 shares have been underwritten at 35 cents and and 274,995 shares at 73 cents. Upon issue of Feb. 1 underwriting of 275,000 shares optioned at 50 cents 57,250 shares, issued capital will be 3,332,255 shares.

UNDERWRITERS OF CORPORATIONS ISSUES

RENÉ-T. LECLERC INCORPORATED

240 St. James St. West MONTREAL

Established 1901

STEEL FABRICATORS

Manufacturers of

Fabricated steel products, welded or rivetted, covering a wide range of industrial purposes. We specialize in tanks, breechings, elevator buckets, boiler and elevator casings, etc. We also manufacture products made from stainless steel.

If you have a special problem—or a routine job — send us your specifications. We can help you.

48 ABELL ST., TORONTO 3.

PLATE AND STRUCTURAL STEEL SALES LTD

We Buy and Sell

Dominion
Provincial
Municipal
Public Utilities and
Religious Securities

La Corporation de Prets de Quebec

FRS. LETARTE, President — 132 St. Peter St. Quebec — L.-A. PEDNEAULT, Vice-President

L. Letourneau — Representative — Three Rivers

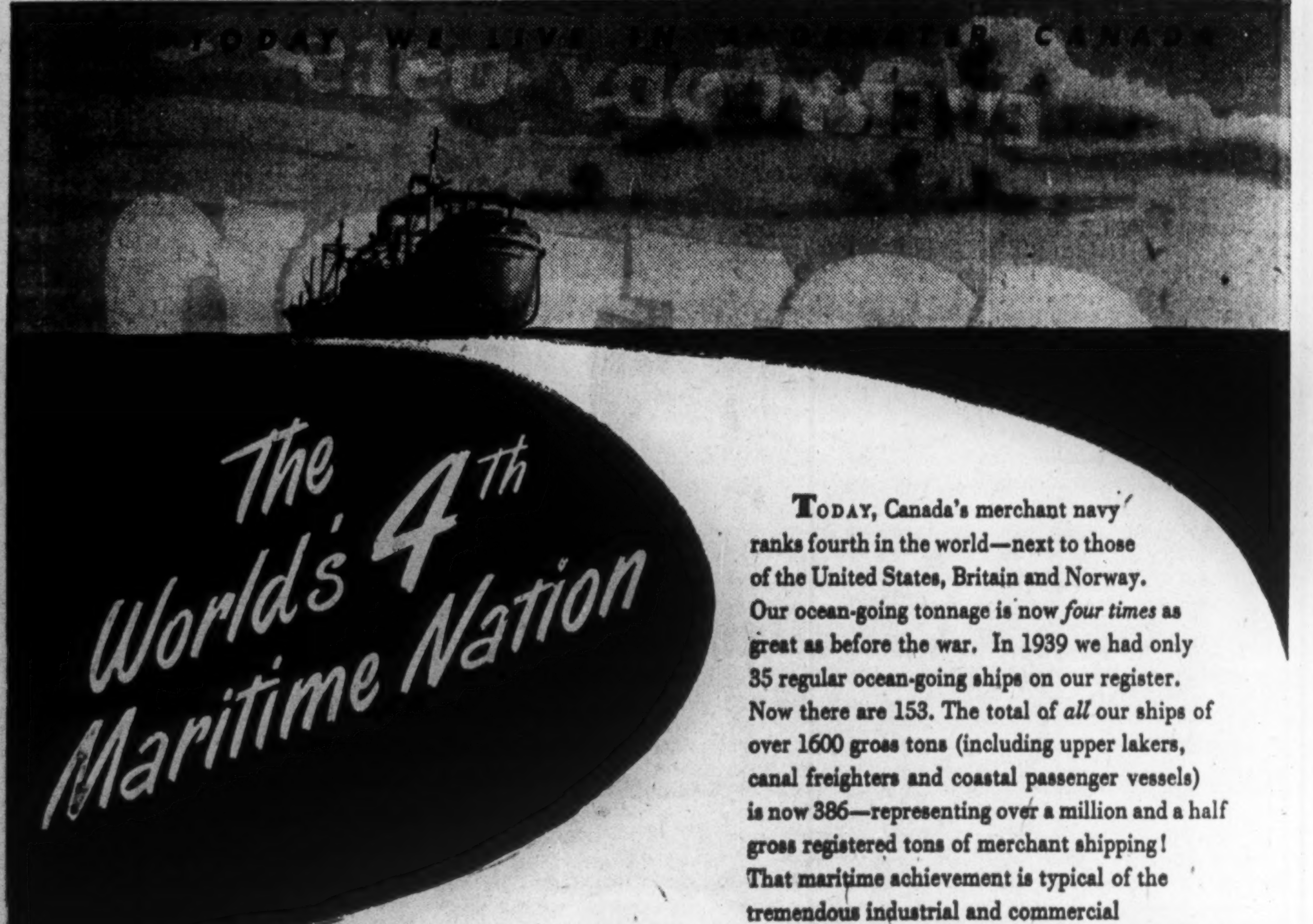
*Your advertising penetrates 186,000 homes each week.

Readership

The best conceived and the best written advertisement is only as good as the audience it reaches. Your French-language advertisement in Le Petit Journal means week-end readership throughout the whole family in 186,000 French-speaking homes in the 27 key communities of Quebec. Here are all the important urban French-speaking markets for the merchandise you have to sell...reach them through advertising in the home readership medium...Le Petit Journal

LE PETIT JOURNAL
MONTREAL QUEBEC

Ontario Representative, J. McGoey, 21 King Street East, Toronto.



TODAY, Canada's merchant navy ranks fourth in the world—next to those of the United States, Britain and Norway. Our ocean-going tonnage is now *four times* as great as before the war. In 1939 we had only 35 regular ocean-going ships on our register. Now there are 153. The total of *all* our ships of over 1600 gross tons (including upper lakers, canal freighters and coastal passenger vessels) is now 386—representing over a million and a half gross registered tons of merchant shipping! That maritime achievement is typical of the tremendous industrial and commercial developments which have created new and greater opportunities for all Canadians right here at home in our own country today.

G. H. WOOD raised sufficient money in 1923 to buy a tiny Toronto soap plant employing two workers. Since then his energy, industry and consistent emphasis on salesmanship have built his company into the biggest sanitation products organization in Canada, manufacturing 176 separate items.

Mr. WOOD *says:* "I've always felt that business success comes from a combination of initiative salesmanship and harmony between labour and management; and nowhere is that combination more certain of achieving results than right here at home in our own country now".

Between the wars, Canada built no sea-going ships of any size. Today we have 17 major, fully equipped yards, with over 100,000 tons of shipping under construction, including vessels for European and South American countries.

Only one-eighth of the total cargo entered and cleared at Canadian ports was being carried by Canadian ships before the war. Last year our own ships were handling well over half of this tonnage.

ONE OF A SERIES PRESENTED BY Molson's

TO PROMOTE A FULLER REALIZATION BY CANADIANS OF CANADA'S PRESENT GREATNESS

Quebec Construction Contracts 35.5% National Total in 1947

Contracts awarded in Quebec in 1947 for all classes of construction recorded by the MacLean Building Reports division of Hugh C. MacLean Publications are valued at $255 millions, or 35.5% of the national total.

The Quebec figure represents a 12.5% gain over 1946, as against a national increase of 8.2%. But construction costs rose about 20% in 1947 and the industry therefore doubts that physical volume of new work ordered quite equalled that 1946.

Nevertheless, 1947 was a big building year for Quebec and in volume as well as value close to all-time peaks achieved in the late 1920's.

Quebec buyers of new residential building—including the Dominion Government in an usually active role as sponsor of "Wartime Housing" to fill the rental gap—demanded houses at almost any cost; plunged through a triple barrier of shortages, delays and construction costs more than double those of 1939 to chalk up a residential contract total of $64 millions. This was a gain of 8.4% over 1946, against a national rise of 7.4%.

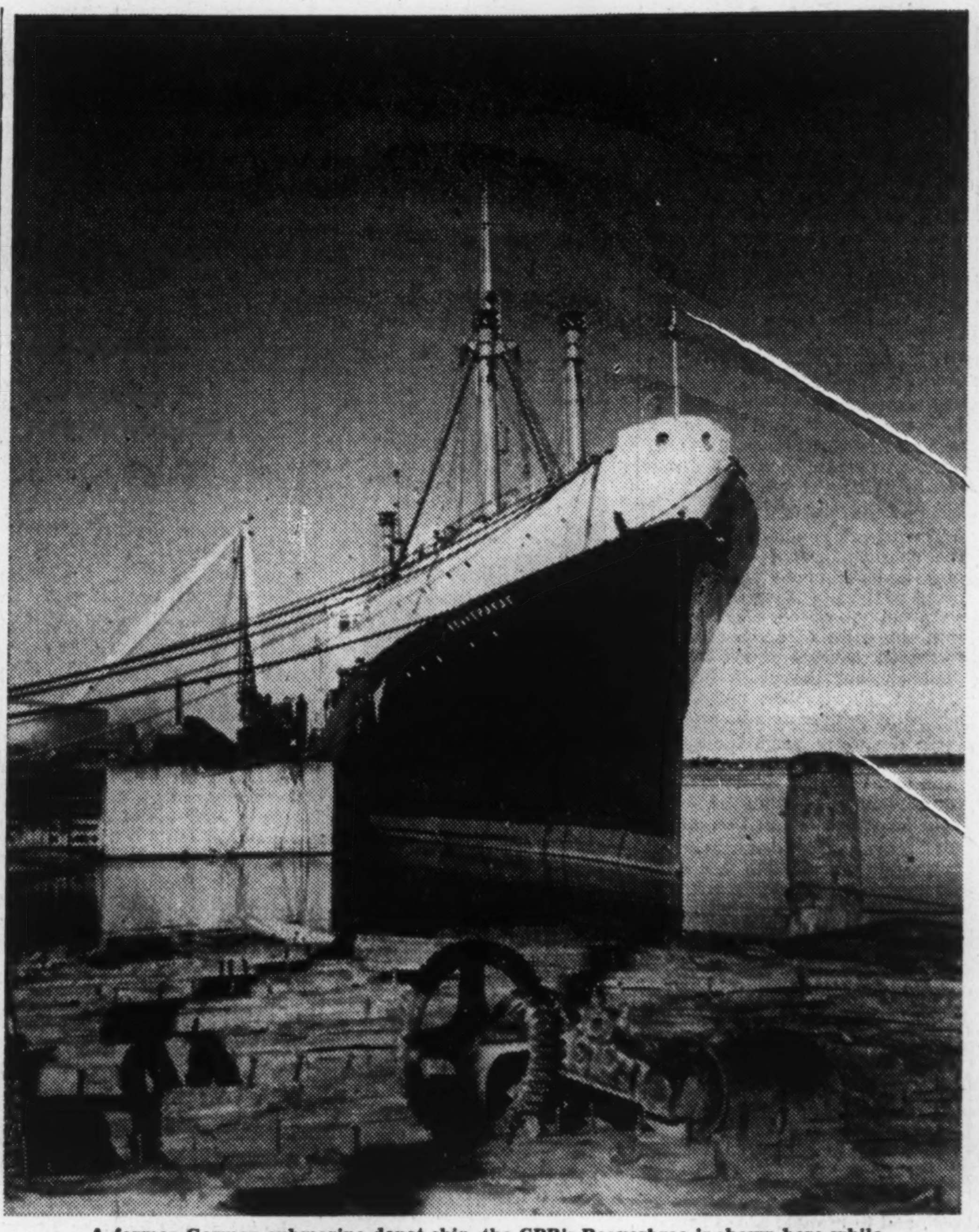
Expanding industry wasn't quite so heedless of costs. The Quebec construction industry lost a huge wedge of its potential market when deferred factory projects cut the award total to about $44 millions. This was a 27% drop from 1946, as against an 18% decline for the nation as a whole.

What put the all-category total over the 1946 top was engineering construction at $62 millions, up nearly 64% from 1946 as against a 34% national rise, and the business-institutional-public building category at $85 millions, up 23% from 1946 as against a 28% national rise.

Quebec Construction Contracts Awarded

	1947		1946	
	No.	Value $000	No.	Value $000
Apartments	83	5,886	130	11,725
Residences	10,526	58,029	8,969	47,272
TOTAL RESIDENTIAL	10,609	63,914	9,099	58,997
Churches	122	6,104	104	11,326
Public garages	462	4,901	370	5,480
Hospitals	35	15,980	23	9,512
Hotels and clubs	118	3,218	69	5,533
Office buildings	186	16,011	100	5,284
Public buildings	66	1,472	35	1,547
Schools	150	17,288	72	6,690
Stores	668	8,237	500	10,156
Theatres	41	3,196	49	3,203
Warehouses	455	8,436	395	10,372
TOTAL BUSINESS	2,303	84,843	1,717	69,104
TOTAL INDUSTRIAL	557	44,312	561	60,762
Bridges	52	5,195	19	4,059
Dams and wharves	27	20,845	11	2,799
Sewers and watermains	59	2,838	66	5,010
Roads and streets	85	8,984	93	10,832
General engineering	43	24,271	68	15,247
TOTAL ENGINEERING	266	62,133	257	37,947
GRAND TOTAL	13,735	255,202	11,634	226,810

Source: MacLean Building Reports Ltd.



A former German submarine depot ship, the CPR's Beaverbrae is shown here while being refitted at the Sorel shipyards. This week, the Beaverbrae resumed her ocean career, her first task being to bring immigrants and DPs from Europe to Canada.

Sask. to Tax Railways Extend Auto Insurance

Addition of Property Damage to Compulsory Government Automobile Insurance Cover Indicated – Will Revise Municipal Acts

REGINA. — Extension of the Automobile Accident Insurance Act, without increasing fees, and provision for municipal taxation of railway property in the province were forecast in the Throne speech at the opening of the fifth session of Saskatchewan's 10th legislature.

While the Throne speech made guarded reference to the Government's new moves, its contents suggested the amount of new legislation this session will be comparatively light.

Other new measures forecast were: Amendments to the professional acts, increase in old age pensions, extension of the Workmen's Compensation (Accident Fund) Act and establishment of an irrigation division by the agriculture department.

The compulsory Automobile Accident Insurance Act will likely be extended to cover property damage, although the Throne speech did not discose the changes planned. At present the scheme covers two points—personal injuries and collision insurance. Since its inception, April 1, 1946, the plan has dealt with 2,728 personal injury claims on which it has paid or is currently paying more than $600,000.

During 1947-48, 27,788 collision claims were dealt with, incurred losses for this period alone being in excess of $575,000. The collision feature was introduced only a year ago.

No elaboration is contained in the speech regarding the province's plan to tax railway property. Earlier Municipal Affairs Minister J. H. Brockelbank said this legislation had already been approved by the Cabinet and CCF caucus but was to be discussed first with officials of municipal associations involved and railways.

The new legislation will amend existing municipal acts to enable the Government to assess and tax all railway property, exepting where special exemptions have been given.

Amendments to the various professional acts will be in accordance with recommendations of the select standing committee on law amendments made at the last session. At that time it was recommended that the matter of disciplining members of a profession remain with that profession's governing body, subject to review by the Government. The principle of university control over examinations was approved.

No mention was made of the amount of additional benefits to be granted to old age pensioners. It is expected, however, the $5 a month supplementary bonus removed last June 1 when the Dominion increased its old age pension share will be restored. In cases of real need, where a pensioner has no other income, it is likely a pension of $40 will be paid, $10 more than now.

The change in the Workmen's Compensation (Accident Fund) Act calls for the raising of the maximum salary level on which workmen are paid compensation from $2,500 to $3,000.

The irrigation division to be established by the agriculture department would deal with proposed Dominion-provincial projects.

When in Quebec Stay at the

CLARENDON HOTEL

Known to newspapermen throughout the world as the home of the "Clarendon Commandos"

This hotel was host to the world's leading Newspaper Correspondents during the Quebec Conferences.

200 ROOMS WITH BATH
FRENCH CUISINE

Five minutes from Dufferin Terrace

QUEBEC, CANADA

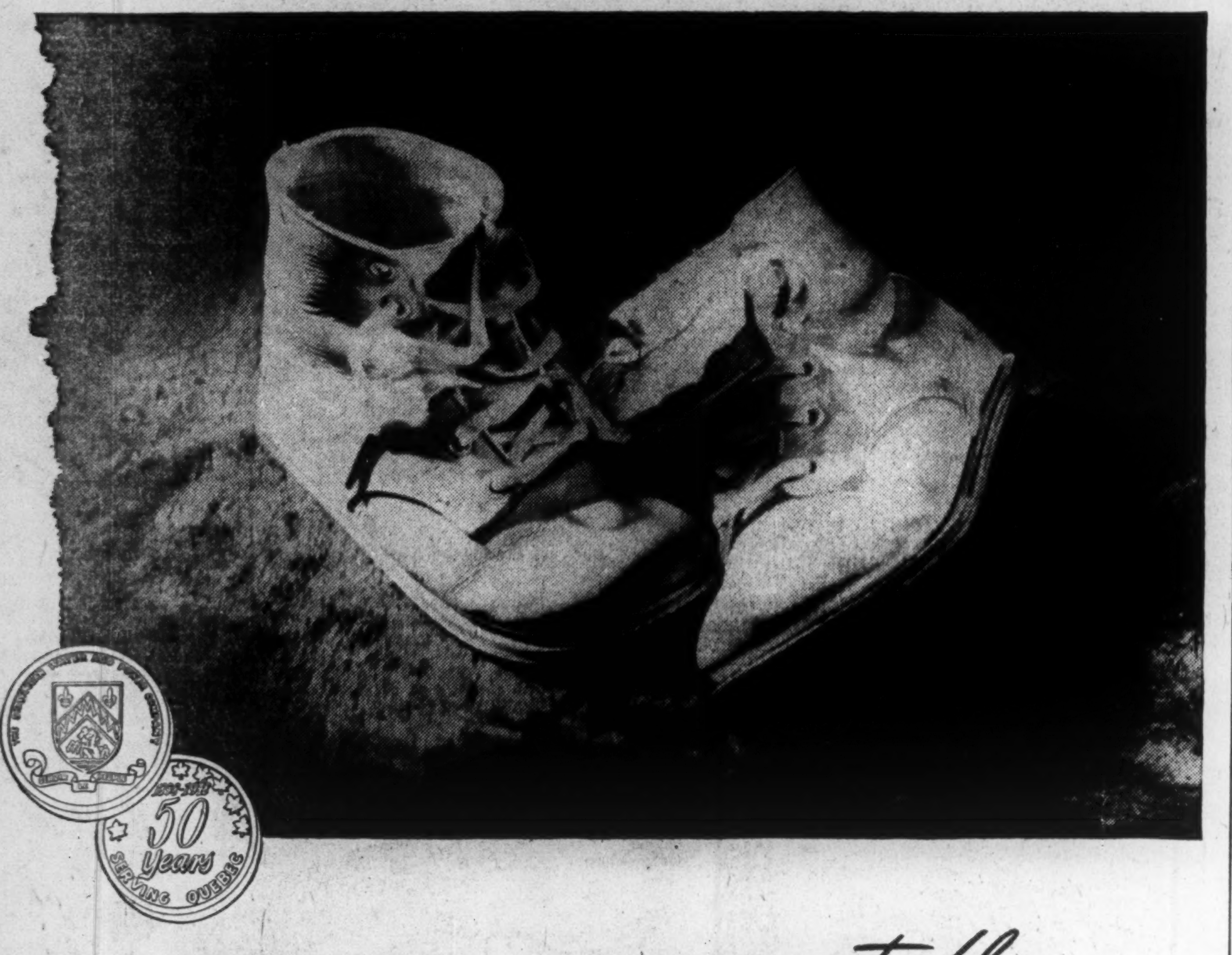
LAJOIE, ROBITAILLE & CIE
Limitée

Valeurs de placements

60 St. James Street, West

MONTREAL

BEAU RAND GOLD MINES has completed drill hole No. 5 at 805 ft., cutting andesite at 270 ft. and brecciated rhyolite for balance of the hole. The Fault Zone occurred from footage 330 to 605 making a horizontal width of about 240 ft. The Fault Zone was intensely sheared and shattered with some slickensiding.



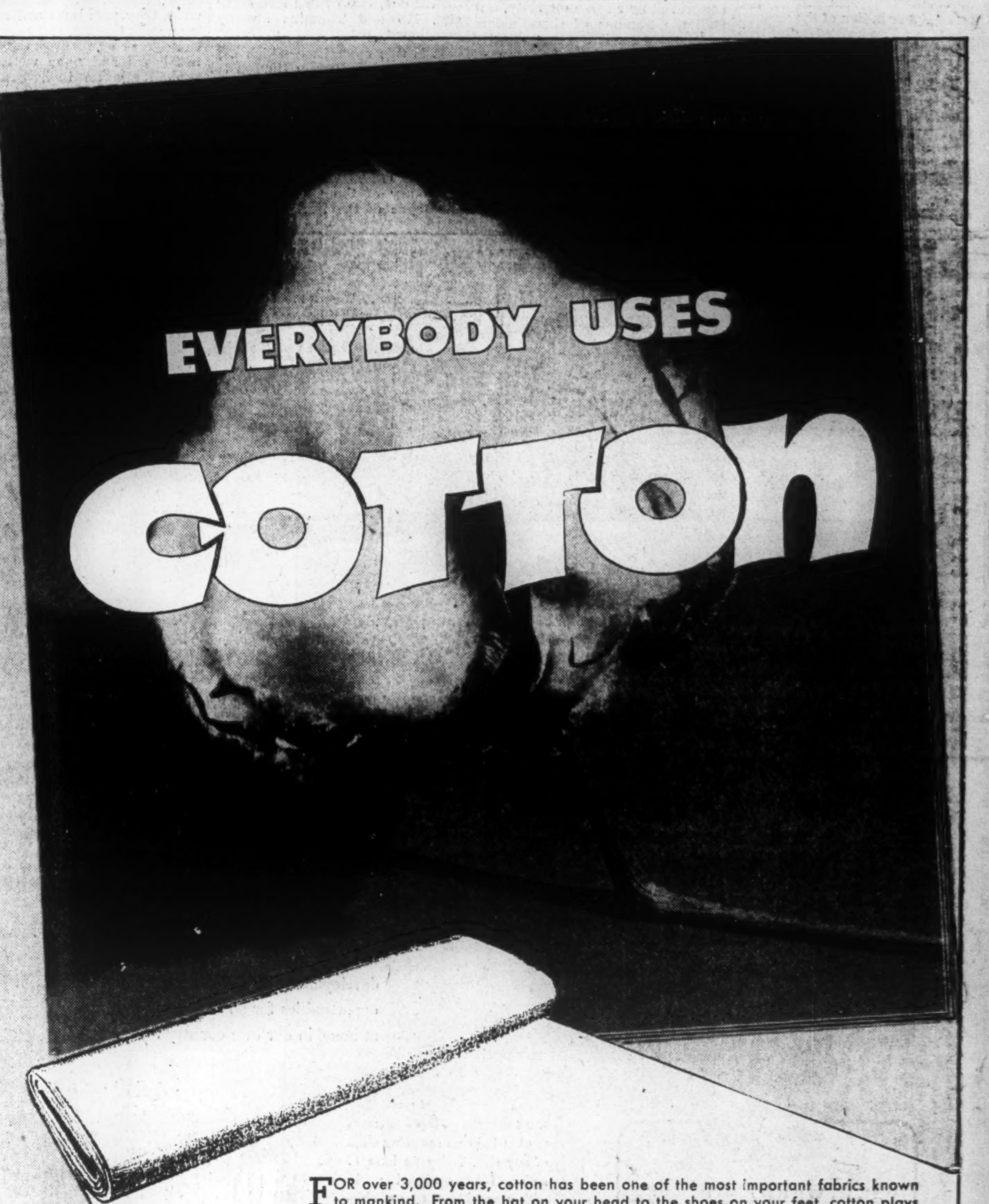
HOW SWIFT THE *moments fly*

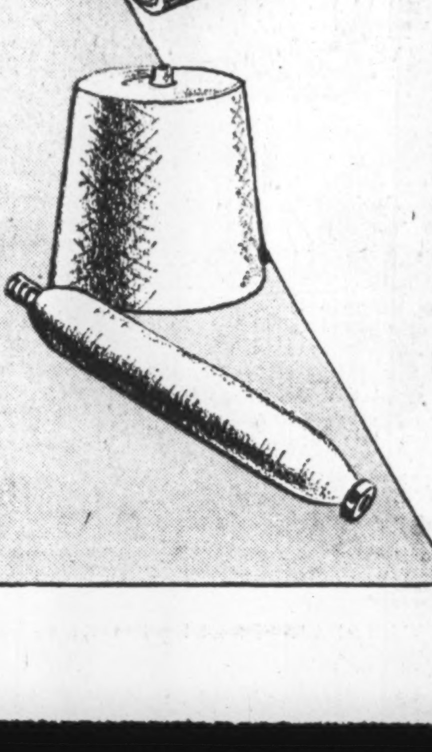
In this, its Fiftieth Anniversary year, The Shawinigan Water and Power Company can point with pride to the fact that it serves two-thirds of the Province of Quebec's great industrial area.

The growth of Shawinigan's services is indicated by the expansion of an original 10,000 h.p. installation at Shawinigan Falls to the present generation, transmission and distribution system with an installed capacity of nearly 1,500,000 h.p., serving 25,000 square miles in the Province of Quebec.

Shawinigan's development of abundant, low-cost hydro-electric power has attracted industries of every nature to Quebec—industries whose products reach markets around the world. Indeed, Quebec has grown, soundly and swiftly, bringing prosperity and progress to her people and industries. As Shawinigan observes its Fiftieth Anniversary it looks forward to further years of growth with one of Canada's fastest growing Provinces.

ENGINEERING · CONSTRUCTION · TRANSPORTATION
The Shawinigan WATER AND POWER CO.
ELECTRIC POWER · CHEMICALS
SHAWINIGAN CHEMICALS LIMITED QUEBEC POWER COMPANY
associated and subsidiary companies





FOR over 3,000 years, cotton has been one of the most important fabrics known to mankind. From the hat on your head to the shoes on your feet, cotton plays a fundamental part in the manufacture of your wearing apparel. The comfort of your home, too, depends on cotton—even your automobile contains about 90 lbs. of cotton in various forms.

However, though we think of cotton primarily for clothing and fabrics of many kinds, it is invaluable for such articles as twine, cord, nets, tapes and numerous other manufactured goods which have an important place in our everyday life.

The cotton industry is important to Canada. Between the raw imported cotton and the finished products, there are various operations requiring thousands of Canadian workers the year round. Dominion Textile Company alone employs 8,000 workers in the Province of Quebec and produces 150 million yards of cotton cloth and 20 million pounds of yarn a year for Canadian Manufacturers and wholesalers.

DOMINION TEXTILE COMPANY LIMITED
MONTREAL QUEBEC
Tex-made T.M. REG'D.
IS WELL MADE

A VOTRE SERVICE POUR L'ACHAT ET LA VENTE
D'OBLIGATIONS ET D'ACTIONS
J.E. Laflamme Limitée
116, COTE DE LA MONTAGNE
QUÉBEC, TÉL.- 2-1264 - 2-1265

Partners:
PAUL GOULET
FARRELL VINCENT
Manager:
ALBERT THIBAULT
L. J. FORGET & CO.
Members
MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET
471-473 St. Francois Xavier St.
MONTREAL
MArquette 8191

THREE RIVERS SHIPPING
CO. REG'D.
STEVEDORES, STEAMSHIP AGENTS
and
GENERAL CONTRACTORS
Lucien Paquin — *President*
W. J. McBroom — *Superintendent*
AMEAU BLDG.
THREE RIVERS,
QUE.

UNDERWRITERS AND DEALERS IN:
Quebec Municipals
School Commissions
Religious Institutions
and Industrial Bonds
DESJARDINS, COUTURE INC
266 St. James St. West — MONTREAL
69 rue St-François — ST. HYACINTHE

HARTWELL
HICKORY HANDLES
ARE READY TO FIT
•
UNIFORM IN PATTERN
•
SEVERELY GRADED
•
GUARANTEED
•
Sturdy Handles for Canadian Workers

HARTWELL BROS.
LIMITED
Manufacturers of Hickory & Oak Handles
WINDSOR - ONTARIO

Racketeers in a Losing Fight

Here's How Better Business Bureaus Are Co-operating

How are the racketeers chiselling into your business? How does what they do affect your reputation? And what's being done to stop them? Here's the story of an organization which helps business police itself — and some cases of the crooks they've caught.

The crackpots and racketeers who plague the housewife and the businessman with their swindles and get-rich-quick schemes, are fighting a losing battle against honest business practice in Canada.

In Vancouver, Winnipeg, Toronto, Ottawa, Montreal and Quebec Better Business Bureaus keep constant watch on the activities of all those who establish business enterprises, large or small, in their localities.

They are nonprofit organizations, supported by a membership pledged to protect themselves and the public against fraud and to develop consumer confidence in legitimate business through the promotion of truth in advertising and selling.

How They Save Money

Today their facilities are widely used by the Canadian public. The Toronto B.B.B. with 1,350 members reports that last year 15,537 enquiries and 5,956 complaints had been received from the public apart from those of the bureau's own members. As a result of investigations, 509 of the complainants received satisfaction in cash or kind to the value of over $44,000. During the same period 127 people sought advice from the Toronto B.B.B. before they invested their money. They saved themselves $118,211 by avoiding unwise investments.

The Ottawa and Hull organization handled 4,168 enquiries and complaints, 1,933 more than during the previous year, and saved their public $57,115, while proportionate results can be claimed by the bureaus of Montreal, Vancouver, Winnipeg and Quebec.

Enquiry Gets Action

Even although crooks and sharpers take to the bush to try and put across a swindle, one enquiry as to their repute will set the wires humming, and if the crook is one of those listed in the bulging files which the bureaus maintain, his "run" will be short, indeed.

One of the earliest battles the movement had to fight was against fakers who saw racketeering possibilities in just such organizations and set up shyster bureaus in various parts of the country, shaking the public confidence in the legitimate organizations and doing the entire movement harm which has taken years of hard work to undo.

Today the legitimate bureaus enjoy the full confidence of the people and operating under Dominion Charter, they are really hounding down the denizens of the seamy side of the business world.

For instance, the Ottawa and Hull organization recently learned that an individual was circularizing hardware firms in Quebec Province, stating that he could supply nails and glass. The stores were required to forward cash or cheque with the order, and a good many actually did. The "dealer" did not complete or ship one order, but there were no Ottawa or Hull merchants taken in, for the local B.B.B. had looked into the man's record, found that he was unreliable and warned all their members and enquiries to have nothing to do with him.

At Work in Vancouver

The Vancouver bureau, which began operations on Nov. 1, 1939, has exposed many of the rackets to which, as a seaport, it is particularly susceptible.

One of the earliest cases they handled was the sale in the area of what purported to be hearing aids. Complaints were received that the advertised claims for this appliance were definitely dishonest and it was decided to hold a full-dress investigation. It was discovered that the man who owned the business by modulating his voice was able to create the impression that a person wearing the apparatus could hear him as well at 20 feet distance as he could close at hand.

W. L. Templeton, general manager of the Vancouver bureau, challenged the salesman with the fraud, and proved the contraption ineffective. When the man eventually gave up his activities in Vancouver and set out to peddle it around B. C. and Alberta, the Bureau saw to it that the police and newspapers were kept advised of his itinerary and the areas prepared for him. Finally, the man became an agent for instruments approved by the Medical Association and no further complaints about him have been received.

A rather heartless form of deception was that practiced by five men who rented an office in downtown Vancouver and set themselves up as an "employment agency," offering jobs to men in the logging and lumber manufacturing fields. They asked for, and in some cases received $300 for their services. Part of these fees were supposed to cover travelling accommodations they would provide. On evidence submitted to the Better Business Bureau, which was passed on to the police, all five were arrested and three sentenced by the court.

The "Psychologist"

Perhaps the most colorful of the racketeers to receive the attentions of the Vancouver bureau was one whose exploits are still spoken of in Western Canada. He arrived in a blaze of glory, advertised as having just completed a triumphant tour of the United States where he gave lectures on psychology and allied subjects. He rented the best meeting-place in the leading hotel and invited people to hear him lecture free of charge.

When the Better Business Bureau read of this meeting every city which he claimed to have toured in the United States was contacted. Back came replies by telegram, air mail and ordinary post. Yes, the man was well known—to the police in particular!

But as yet he had done nothing to warrant a charge being laid against him. Time, however, unfolded a clever plan. Under the guise of religion, he founded a "faith and service" cult. He, of course was the leader; women for the most part were his devoted followers. He rented a meeting place, fitted it up with a kind of pulpit and chairs, conducted Sunday and week-day services at which, of course, collections were made. To cut his living expenses to the bone, "Mr. Genius" persuaded his followers that they should board and lodge him for three months, in turn. In that way, most of the "take" from the collection plate was his. The "doctor" prospered. A board of directors took on the responsibilities of the organization.

He formed another cult featuring diet, psycho-analysis, neochemistry, etc. People who did not know his background were convinced that he was really a learned man. He engaged a professor of the University to lecture, and students enrolling for his classes paid handsomely for the privilege. Diet was the big money-maker.

He set up another company to import food pills from the United States and these he sold to his "patients" at enormous profits. For example, alfalfa tablets that could be laid down in Vancouver at 60c per 100 were sold for $1 per dozen.

Finally, the law caught up with him and it was discovered that he had failed to support his child, for which offence he was sentenced to six months in jail. Following his release he, purchased a power yacht and blossomed forth as commodore of a fleet of private power boats organized to protect Vancouver Harbor! Still the Better Business Bureau kept their eye on him and finally it was discovered that there was a job for the Morality Squad on the man's yacht. He was arrested, tried and sentenced to five years with lashes.

A more recent shyster was not given so much rope. His business activities recalled to the Vancouver bureau a case reported in the Toronto Better Business Bureau bulletin of a man who had been mulcting easterners of up to $30,000 in a fake partner scheme.

Enquiry satisfied the Vancouver officials that he was the same man as had been referred to in the bulletin. They informed the police. That afternoon he was placed under arrest, and he is now undergoing a sentence of two years' imprisonment.

Complaints regarding the usual phony contractors, petty swindlers, rooming-house rackets, raw auto deals and so on, are of common occurrence in the bureau offices throughout the country, but they all receive careful investigation and enquirers are freely given the benefit of the organization's best advice.

With such slogans as "Before you invest, investigate," "Read before you sign," and "If in doubt, find out," the bureaus are forging ahead with their protective and corrective functions as a public service of private business.

Claude Roote, manager of the Montreal Better Business Bureau told The Financial Post, "It is the object of the Bureaux everywhere to be judged rather by the frustration of rackets **before** their inception."

"It is purely hypothetical what actual money saving is affected," he said. "For instance, our broad censorship of advertising copy, especially classified, results in nothing tangible, because the abuse never occurs. Likewise, we cannot appraise the end result of what is accomplished by the use of our "Guide for Retail Advertising and Selling." Voluntary self-regulation by our business groups, such as our fuel and fur divisions, is an important but intangible factor in preserving public confidence in business.

"What we do with posters, stuffers, and carcards, etc., in the way of industrial employee relations is also something of incalculable usefulness. Constant vigilance is required toward the protection of the employees' liquid assets, and for this reason personnel managers are more and more happy to have us on their payroll as well.

"The purposes for which the BBB movement was organized are more urgent than ever today. We are seeking to help in a big way to protect the goodwill of legitimate business and to develop public opinion favorable to our private enterprise systems."

The Toronto Bureau prepares and distributes a series of "fact booklets" dealing with home buying, going into business, safeguarding your savings, various sales devices, confidence schemes, vitamins, fuel-saving tips, etc.

A. R. Haskell, general manager of the bureau is one of the oldest men in the movement in Canada, having worked in it since soon after he returned from World War I.

He is one of the district governors of the recently formed Association of Better Business Bureaux, Inc., and its secretary-treasurer, George S. Piers, Ottawa and Hull is president of the new association and Claude Root, Montreal, vice-president. Other district governors are George A. Cran and William Templeton, Vancouver; D. A. B. Murray and Arthur E. Godsmark, Winnipeg; John F. Taylor and George S. Piers, Ottawa; Frank R. Howe, Toronto; A. R. Duffield and Claude Root, Montreal and J. Albert Towner and J. des R. Tessier, Quebec.

Guildhall Securities Limited
INVESTMENT DEALERS
485 McGill St. — MONTREAL — PLateau 1477

ADMINISTRATION and
TRUST COMPANY
(Société d'Administration et de Fiducie)
Established in 1902
EXECUTORS and TRUSTEES
Hon. E. L. PATENAUDE, *President*
J. THEO. LECLERC, *Vice-President and Managing Director*
Head Office: MONTREAL
5 St. James St. East
BRANCHES
Quebec - Winnipeg - Regina - Edmonton - Vancouver

INVESTMENT
SECURITIES
CLÉMENT, GUIMONT INC.
56, St. Peter St.,
QUEBEC
MEMBERS OF THE INVESTMENT DEALERS ASSOCIATION

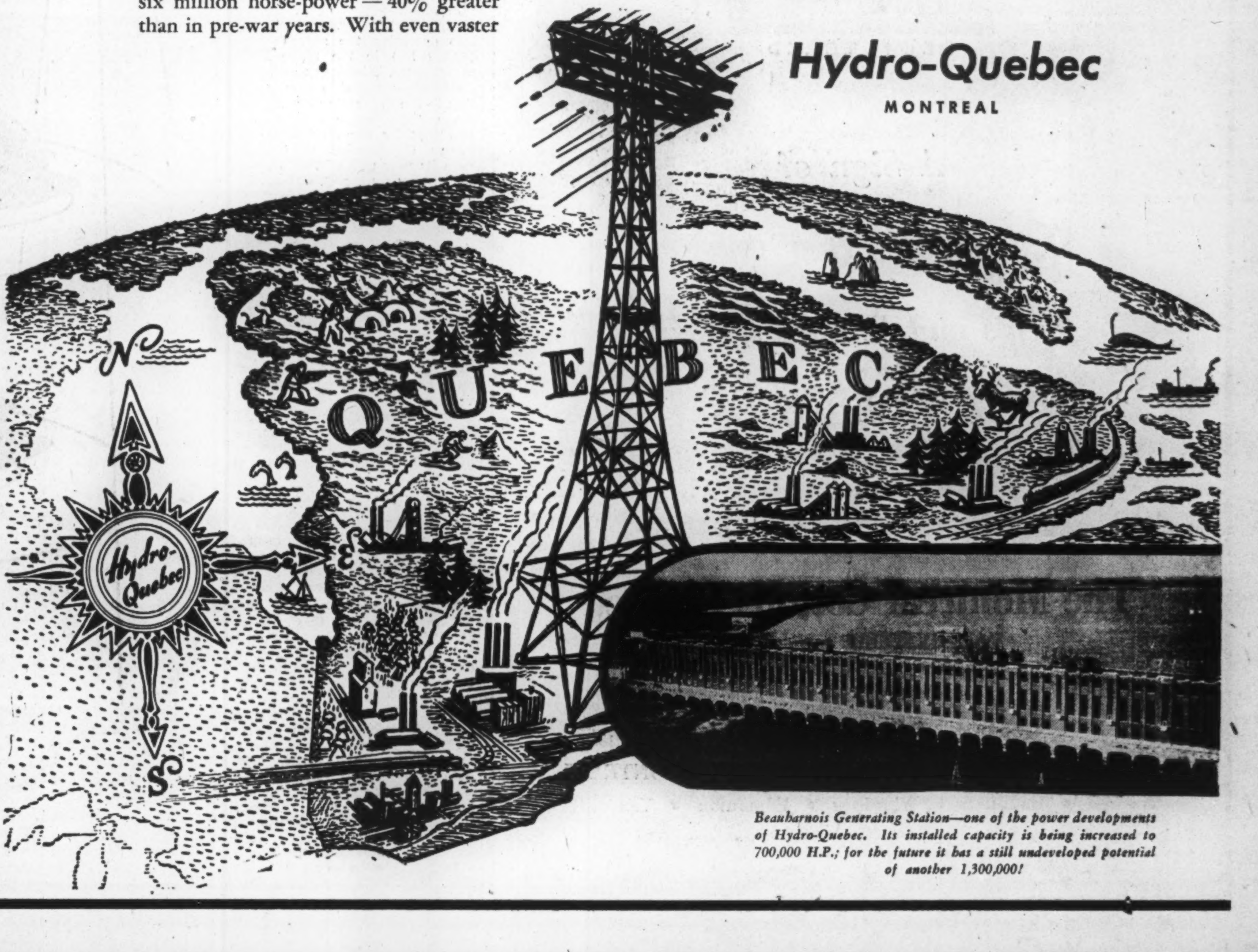
Continuing POWER Development
for Quebec's Industrial Future

ABUNDANT water power, advantageously located, has been the mainspring of Quebec's remarkable industrial advance. It made possible war-time production achievements and post-war progress. Because of it, this province has become one of the world's great manufacturing areas. Its continuing development assures an even greater industrial future.

Today Quebec's total installed capacity is close to six million horse-power — 40% greater than in pre-war years. With even vaster resources still to be developed, production of electric energy is steadily expanding.

To that expansion, Hydro-Quebec is making a major contribution. With its great generating facilities at Beauharnois, Cedar Rapids and Rivière-des-Prairies, it is providing ever-increasing power to Quebec industry, and dependable, ever-expanding electric service to the homes, institutions and commercial establishments of the province.

Hydro-Quebec
MONTREAL



Beauharnois Generating Station—one of the power developments of Hydro-Quebec. Its installed capacity is being increased to 700,000 H.P.; for the future it has a still undeveloped potential of another 1,300,000!

Crédit Interprovincial Limitée

GOVERNMENT INVESTMENT DEALERS

DEALERS IN:

MUNICIPAL — INDUSTRIAL

PUBLIC UTILITIES

AND RELIGIOUS INSTITUTION SECURITIES

210 NOTRE DAME ST. WEST, MONTREAL

Tel: LA. 9241

Jean Gendron *President* — Georges Falardeau *Treasurer*

J. T. Gendron Inc.

Investment Securities

56 St. Peter Street

QUEBEC

Telephone 4-2949

Government,

Municipal and Corporation

Securities

Hospital & Religious Institutions Bonds

Lagueux & DesRochers

Financial Building — QUEBEC, Que.

Quebec Offers Large Market For Insurance

Quarter to a Third of All Canadian Business Done In That Province

Quebec province is one of the largest insurance markets in the Dominion, approximately 25% of all life insurance written by Dominion licensed companies in Canada being transacted there; 30% of the total fire insurance and 23% of total automobile insurance.

Head offices of many of the largest companies in Canada are located in the province. In addition to the large number of companies operating under Dominion license there are a number of strong corporations doing business under provincial license.

All lines of insurance have shown growth in recent years, and it is believed the 1947 figures, when they become available, will show all previous records to have been surpassed.

Total life insurance written by Dominion licensed companies in Quebec in 1946 was $343 millions, while insurance in force on Jan. 1, 1947, was $2.9 billions, both figures showing increases over 1945. Premium income at $77 millions was also higher, while insurance payments distributed to living policyholders and beneficiaries of those who died, were $42.6 millions.

Figures with comparisons follow:

Life Insurance in Quebec

	1946 $000	1945 $000
New insurance	343,255	275,983
Insurance in force ..	2,945,042	2,685,694
Premium income	77,643	72,267
Policy payments	42,697	39,779

Fire insurance premiums in Quebec are about a third of those for the whole Dominion. Premiums earned in 1946 were $20.8 millions, substantially above the 1945 level. The loss ratio while high at 58.13% was lower than the 67.00% reached in 1945, which it is hoped will be the peak level of the present cycle.

Comparisons for the two latest years for which statistics are available follow:

Fire Insurance in Quebec

	1946 $000	1945* $000
Premiums earned ...	20,858	18,427
Ratio of losses to prems. earned	58.13%	67.00%

Volume of automobile insurance in the province has increased in recent years with the more general use of automobiles and improvement in roads. Total premiums earned rose $2.5 millions between 1945 and 1946.

As in other provinces, however, losses also increased, due to the poor condition of many cars and tires, a larger number of young inexperienced drivers on the roads and the easing of speed restrictions. Accordingly the ratio of losses incurred to premiums earned was slightly higher.

Figures for 1946 and 1945 compare as follows:

Automobile Insurance

	1946 $000	1945 $000
Premiums earned	10,147	7,606
Ratio of losses to prems. earned %	60.29	58.13

Half Million Additional Horsepower Canada's 1948 Hydro-Electric Target

Canada's capacity to generate hydro-electric power grew 178,800 hp during 1947. That's sadly below par for yearly increase but construction now under way should bring almost three times as much new capacity into operation this year.

New peaks in the demand for hydro-electric energy have been upsetting some forecasts of a few years back. Prewar, Canada's generating capacity was expanding at an average rate of 300,000 hp per year. Then, two million hp were added during the war years, and this was expected to provide a tentative reserve of power for the immediate postwar years. As a result, little new construction was undertaken in 1945 and 1946.

The expectation proved wrong. The annual survey of the Dominion Water and Power Bureau reveals that "the demand for hydro-electric energy has been expanding in practically all districts of Canada at an unanticipated high rate, and has refuted the widely-held expectation that a decline in power consumption would eventuate in the early postwar years."

Here's How Demand Grew

Here are the facts about the unforeseen demand for hydro-electric energy:

"For the first 10 months of 1947, the total electric output of central electric stations in Canada, as reported by DBS, was nearly 10% higher than for the same period of the previously high year of 1946 and was over 12% in excess of that recorded in 1944, the war-year of greatest production.

"The consumption of primary power, which is a measure of peak-load demand, also recorded a new high level exceeding that of the year 1944 by over 4% and being nearly 90% above that of the prewar year 1939. This growth in primary demand points to an imminent shortage of primary power, especially during the peak-load winter period, pending the completion of new plants under construction or planned."

Why this great demand? The Bureau offers these explanations:

1. A high level of industrial activity in manufacturing centres.

2. Commercial and domestic loads have been growing rapidly due to lifting of restrictions on the use of power and to the increased use of electrical appliances which have again become available for purchase.

3. Though somewhat curtailed by material and labor shortages, there have been large extensions to rural service, as the generally prosperous conditions of agricultural districts has intensified the demand for farm electrification.

These Were Completed

Here are power-generating new projects put in operation in 1947:

British Columbia — Additional capacity of 53,000 hp comprising: (a) first unit of 28,000 hp in the new plant of the British Columbia Power Commission at Campbell River, Vancouver Island (b) addition of one unit of 25,000 hp in the Stillwater powerhouse of the Powell River Co. on the Lois river.

Alberta and Saskatchewan— Calgary Power Co. brought into operation a 13,500 hp single unit at their Barrier development on the Kananskis River. Saskatchewan Power Commission brought a 15,000 kw turbo-generator into operation at Saskatoon.

Manitoba—City of Winnipeg Hydro-Electric System brought into operation the seventh unit (12,000 hp) in the Slave Falls powerhouse, Winnipeg river.

Ontario—Largest single addition to the generating capacity of the country made during 1947 was that by the Hydro-Electric Power Commission of Ontario with its new unit of 70,000 hp at DeCew Falls, near St. Catharines, placed in service in September.

Quebec—Gatineau Power Company, in the spring of 1947, completed installation of the fifth and final unit of 24,000 hp in the Far rs Rapids plant on the Ga u river. Lower St. Lawren Power Co. put 6,000 hp pl on the lower Metis River in ation during October, and Ca n International Paper Com ny completed 300 hp plant on the Riverin River, Saguenay County.

Maritimes — New Brunswick Power Company has completed installation of additional capacity of 10,000 kw in its steam plant at Saint John.

Scheduled for Completion

Some of 1947's work points to more active conditions in the coming year. Following power-generating projects are scheduled for completion in 1948 or later:

British Columbia—Second 28,000-hp unit in the B. C. Power Commission's new plant at Campbell River, Vancouver Island, is expected to be completed in 1948; contracts have been let for third and fourth units with completion scheduled for 1949. First unit of B. C. Electric Railway's project on Bridge River is expected to be in operation in October, 1948, with second similar unit ordered and scheduled for 1949 operation. City of Nelson has commenced construction on an additional 6,750-hp unit in its Upper Bonnington plant on Kootenay River, with completion expected in 1948. West Kootenay Light Heat and Paper Company is planning installation of an additional 800-hp unit at its Goat River dam, near Erickson.

Northwest Territories — Department of Mines and Resources reports favorable progress on construction of 8,000 hp development on the Snare River, about 90 miles northwest of Yellowknife. Power delivery (at cost) to mines and other users in the Yellowknife area is expected to commence late in 1948. This is first stage of larger 30,000 hp project.

Alberta and Saskatchewan—

Canadian Utilities Ltd. has under construction a new 7,500-kw steam plant at Drumheller, Alta., and is proposing to built one of 7,200-kw at Vermilion. In northern Saskatchewan, the Churchill River Power Co. expects sixth unit of 21,000 hp in their Island Falls plant, Churchill River, to be in operation during 1948. Saskatchewan Power Commission has additions to the Estevan and Prince Alberta plants under construction, and a number of Diesel plants are being installed at smaller centres.

Manitoba — Eighth and final unit (12,000 hp) in the Slave Falls powerhouse of the Winnipeg Hydro-Electric System is expected to be completed in 1948. At the Seven Sisters plant on the Winnipeg River, the Winnipeg Electric Co. is raising the head to the final limit of 66 feet and installing a fourth unit of 37,500 hp. The present plant has three units producing 20,000 hp each under partial head, but the ultimate capacity will be six units of 37,500 hp each.

Ontario—Hydro-Electric Power Commission of Ontario expects to put its Stewartville plant on the Madawaska River (81,000 hp in three units) in operation by the fall of 1948. Aguasabon development on the north shore of Lake Superior, near Schreiber, is scheduled to bring in 53,500 hp by Aug. 31, 1948. Extension of the Ear Falls plant on the English River, by installation of a fourth unit of 7,500 hp under a head of 36 feet, is expected in May.

Two 60,000-hp units at the Des Joachims development on the Ottawa River will be in service by the fall of 1950, with additional units at intervals of two months thereafter. A major project on the Ottawa River at Chenaux Rapids, some 15 miles from Renfrew (160,000 hp under a head of 40 feet) is planned for initial operation by November, 1950. A new development in the Thunder Bay system, to be completed about the same time, is at the Pine Portage site on the Nipigon River, with initial capacity of 80,000-hp in two units. Early 1950 is target for tunnel power site on the Mississagi River, 19 miles from Thessalon, conveying water by two 12-foot diameter steel penstocks to two 29,000-hp turbines. Town of Bracebridge is scheduling operation of 1,200-hp unit on the north branch of the Muskoka River for April, 1948—the same time that the Gananoque Electric Light & Water Supply Co. Ltd. expects to complete a 1,300-unit at Jones Falls on the Rideau Canal System.

Quebec—Gatineau Power Co. is planning addition of a third unit of 27,000 hp in its Bryson plant on the Ottawa River during 1949. Shawinigan Water & Power Co. expects to have its 195,000-hp development in commercial operation late in 1948, and has long-range plans under consideration for the development of about 350,000 hp at La Trenche Rapids on the St. Maurice River.

Quebec Hydro-Electric Commission, through its subsidiary, the Beauharnois Light Heat & Power Co. has continued long-range dredging program in the canal, and expects 14th unit of 50,000 hp to be in operation by the autumn of 1948, completing Beauharnois powerhouse No. 1. Plans for powerhouse No. 2 contemplate installation of two units of 50,000 hp by 1951 and two additional units in 1952. Commission also expects fourth unit of 16,000 hp at the Rapid VII plant on the Ottawa River to be in operation by early 1949.

Maritimes—Nova Scotia Power Commission is making progress in its Dickie Brook development which includes a diversion from Larry River and a dam on Dickie Brook. The project, ultimately designed for three units of 1,600 hp, will operate initially one temporary unit rated at 3,700 hp. Commission is also building a new steam plant at Pictou, capacity, 10,000 kw. Nova Scotia Light & Power Co. is proceeding with a development on Methals Brook which will have an installation of one unit rated at 4,600 hp under 50-foot head, completing a link of five power sites. The company is also planning the addition of a second unit of 4,500 hp at its Black River plant, to come into operation possibly in 1949. The Canada Electric Co. Ltd., Amherst, N.S. is adding 15,000 kw of additional capacity to its steam plant at Maccan. New Brunswick Electric Power Commission is building a new steam plant of 12,500 kw at Chatham.

GOVERNMENT

PROVINCIAL

MUNICIPAL

CORPORATION AND

RELIGIOUS SECURITIES

GARNEAU, BOULANGER LTD.

105 MOUNTAIN HILL

QUEBEC

HOTEL DE La Salle

A MOCO FABRIC

REGISTERED

A Sign of

Dependable Quality For

Men's and Women's Wear

FABRICS

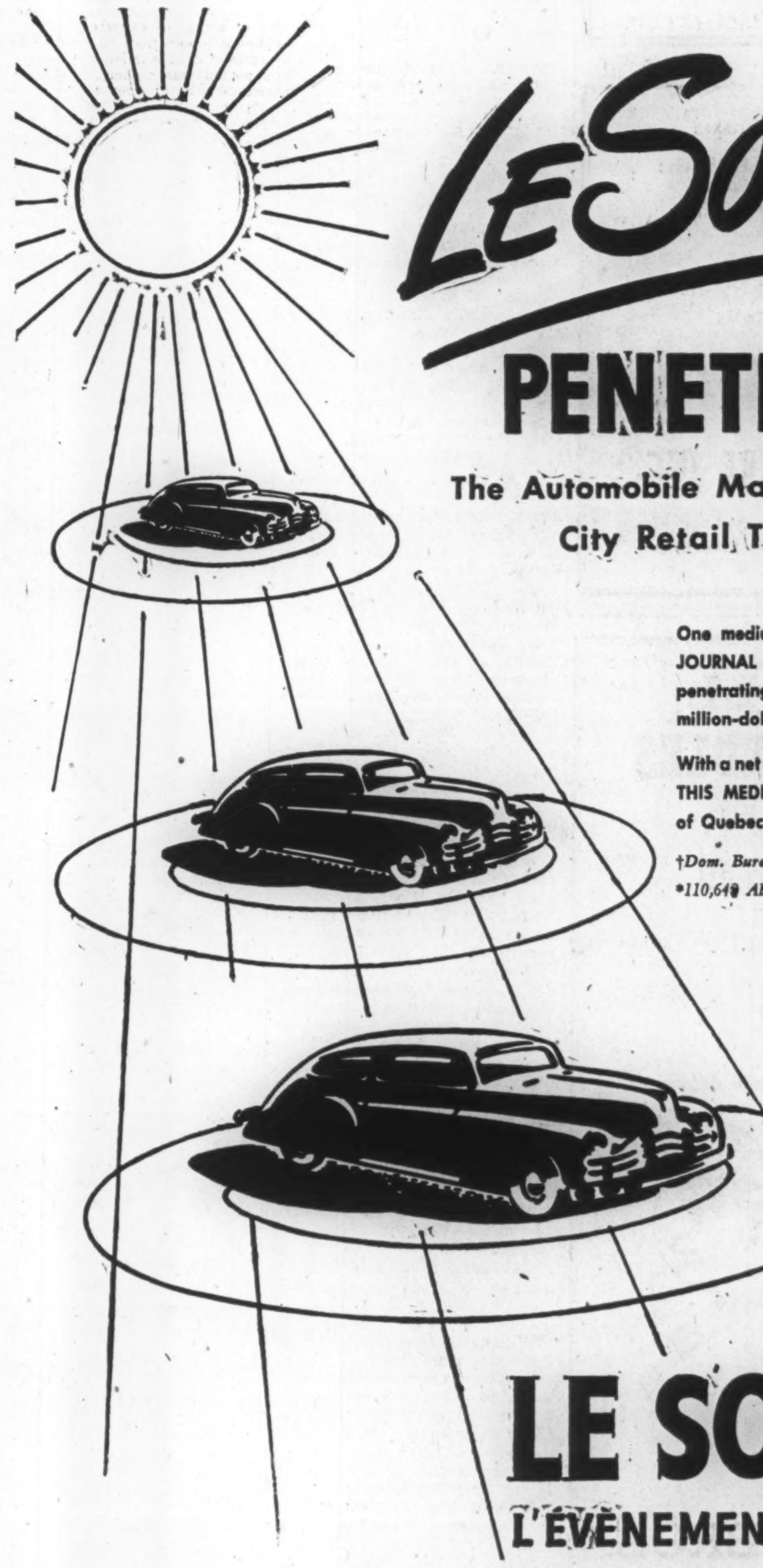
The Montreal Cottons Limited

VALLEYFIELD QUE.

Selling Agents

DOMINION TEXTILE COMPANY LIMITED, MONTREAL

Toronto • Hamilton • Winnipeg • Edmonton • Vancouver



LE SOLEIL (THE SUN)

PENETRATES

The Automobile Market in the Quebec City Retail Trading Zone

One medium . . . LE SOLEIL and L'EVENEMENT-JOURNAL . . . is *all you need* for a thorough, penetrating coverage of this market with 213 million-dollar-a-year retail sales.†

With a net paid daily coverage of 113,139* copies, THIS MEDIUM gives quick and efficient coverage of Quebec City and the rich surrounding territory.

†Dom. Bureau of Statistics, 1944

**110,649 ABC Sept. 30/47*

LE SOLEIL

TWICE A DAY IN QUEBEC CITY

L'EVENEMENT-JOURNAL

TORONTO OFFICE: 9 TORONTO ST. ROOM 33 ELGIN 6922

Here's How Canada, Other Nations Stand On Geneva Trade Agreements to Date

What's the score on the Geneva trade agreements? How many countries have signed with Canada? When will the others sign?

Here's the data to date, as reported by the Commercial Relations and Foreign Tariffs Division, Department of Trade and Commerce:

The General Agreement on tariffs and trade, negotiated at Geneva, has been brought into force provisionally by Canada and the following eight countries: Australia. the Benelux Union, consisting of Belgium, the Netherlands and Luxembourg; Cuba; France; the United Kingdom, and the United States.

Canada has brought into effect, as of Jan. 1, 1948, the rates agreed to at Geneva. Under the provisions of Article XXVII of the General Agreement, however, those concessions granted to countries which have not yet put the new Geneva schedules into effect are withheld for the time being. The new seasonal specific duties on certain fresh fruits and vegetables and the new 15% rate on tinplate imported from British countries will require legislative action before becoming effective.

Australia

Australia gave provisional effect on November 18, 1947, to the rates set out in Schedule I of the General Agreement. These new rates are extended to all countries to which Australia accords most-favored-nation treatment, whether or not they are parties to the agreement.

Belgium, Netherlands, Luxembourg Customs Unions (Benelux)

The Benelux Customs Union brought the rates of Schedule II of the General Agreement provisionally into effect on Jan. 1, 1948. However, the duties on highly essential products are temporarily suspended or reduced. The new rates are extended provisionally to all countries whether or not they took part in the Geneva negotiations.

The Belgian and Netherlands Governments hope that by June 30, 1948, they can put into effect Sections B to E of Schedule II, covering rates applicable in the Belgian Congo, Ruanda-Urundi, the Netherlands East Indies, Curacao and Surinam.

Cuba

Cuba gave provisional effect as of January 1, 1948, to the General Agreement with Canada and the United States. The Agreement was made effective for Australia. the Benelux Union, France and the United Kingdom as of Jan. 17, 1948. Cuba, in turn, is receiving the benefit of all concessions extended by Canada in accordance with Schedule V of the General Agreement on Tariffs and Trade.

France

On Jan. 1, 1948, France extended Section A, Schedule XI, of the Geneva rates on a provisional basis to Australia, the Benelux Union, Canada, the United Kingdom and the United States. These rates apply to imports into Metropolitan France, Algeria, Guadeloupe, Martinique, French Guiana and Reunion to the extent that the French tariff applies to these colonies.

The rates of this section of the French tariff are the minimum or most-favored-nation duties. These now form an integral part of the new French tariff which became effective on Jan. 1, 1948. However, the collection of both the minimum and general (or maximum) duties has been suspended provisionally, except for a special list of commodities. For the countries named above, the minimum rates apply to this selected list, while other countries must pay the minimum.

The new rates applicable to imports into French overseas territories, as set out in Sections B to N inclusive of Schedule XI of the General Agreement, will be made effective at a date to be announced by the French Government. These sections of the tariff, as noted below, apply to imports into the following French territories — (B) French Equatorial Africa (Gaboon area outside the conventional Congo Basin), (C) French West Africa, (D) French Somaliland, (E) French Oceania, (F) Guadeloupe, (G) French Guiana, (H) Indo-China, (I) Madagascar, (J) Martinique, (K) New Caledonia, (L) Reunion, (M) St. Pierre and Miquelon, (N) Tunisia.

United Kingdom

The United Kingdom gave provisional effect on Jan. 1, 1948, to the tariff rates included in Section A, Schedule XIX of the General Agreement. Before some of the new rates can be applied, parliamentary action is required, and the United Kingdom is free to maintain the existing tariffs until Sept. 1, 1948. Items falling into this category are prunes, artificial silk and nylon stockings, sparkling and still wines, motorcycles, agricultural tractors, perfumed spirits and sik garments.

Section B of Schedule XIX which applies to Newfoundland, and Section E which applies to Palestine, were also provisionally brought into effect on Jan. 1, 1948. The provisions of Section C, which deals with rates applicable to the dependent territories of the United Kingdom, have been suspended pending renegotiation, but the general provisions of the Agreement will be applied. Section D, which applies to the Malayan Union, will become effective on a date to be announced.

United States

The United States Government gave provisional effect to the General Agreement as of Jan. 1, 1948. All the tariff concessions granted by the United States in Schedule XX of the Agreement came into effect on that date, with the exception of rates of duty which are applicable to products of primary interest to countries represented at Geneva, but which did not put their schedules of tariff concessions into effect on that date. The items on which the reductions in duty have been deferred are given in the President's Proclamation of Dec. 16, 1947. A list of the items affected was published in Foreign Trade of Dec. 27, 1947. As each of the countries which have not yet put their tariff concessions into effect, signifies its intention to do so, further proclamations will be issued by the President, giving effect to the United States rates of duty in Schedule XX now withheld on items of primary interest to such countries.

Other Countries to Decide by June 30.

Other countries which participated in the Geneva Negotiations have until June 30, 1948, to give provisional effect to the General Agreement. These countries are: Brazil, Burma, Ceylon, Chile, China, Czechoslovakia, India, New Zealand, Norway, Pakistan, Southern Rhodesia, the Syro-Lebanese Customs Union, and the Union of South Africa.

W. J. H. CHITTICK

Winnipeg manager for the Manufacturers Life Insurance Co., has been elected president of the Life Underwriters Association of Canada.

Alberta Orders 125,000 Sq. M. Forest Reserve

Half Province's Area, Unsuitable for Farming, Closed to "Squatters"

From Our Own Correspondent

EDMONTON — Approximately 81 million acres in Alberta, or half the area of the province, has been reserved for forest and closed to settlement, by a government order. The edict withdraws 125,000 sq. miles of Crown lands from further settlement.

Provision is made for the use of provincial lands in the restricted areas "solely for commercial and industrial uses; or for such other uses as the Minister may, in his discretion, consider to be in the public interest."

Lands Minister Tanner said that a survey showed certain areas of provincial lands to be "unsuitable for agricultural pursuits," and that "it is desirable to prevent settlement and indiscriminate 'squatting' on these lands, which are incapable of providing sufficient sustenance for a settler and his family."

The order states: "Many of these lands have a nucleus for establishment of a valuable forest cover which, if given the essential protection, will replace to a very substantial degree in future years the timber cut to meet requirements of the Second World War.

"It is recognized that no action should be taken that would restrict or impede industrial development in the province, and in particular the recovery of minerals; nevertheless, it is desirable and in the public interest that disposition of the provincial lands including those of a class designated as school lands, should be restricted."

The area involved includes the Rocky Mountain forest reserve and practically all the northern part of the province except the Peace River Block, now settled.

The order is regarded as having a direct bearing on the 25-year agreement between Alberta and Ottawa for conservation of the watershed on the eastern slope of the Rockies.

FOR PAPERS OF QUALITY

High Grade

UNBLEACHED SULPHITE

GASPESIA SULPHITE COMPANY, LTD.

POST OFFICE BOX 1487 • QUEBEC, P.Q., CANADA

185-Ton Mill at Chandler, Quebec; Head Office at Quebec, P.Q., Canada.

Water shipments in SMALL or LARGE Cargoes from Port of Chandler, on Gaspe Coast.

'Largest Suburban' Department Store Plans a Second

From Our Own Correspondent

VANCOUVER — Forsts Ltd., which pioneered suburban department store building in the west, has announced that it will build their second department store in Vancouver.

The firm, started in Vancouver, and operated by Alex and Ed Forst, brothers, has a number of retail hardware and furniture stores in Vancouver and New Westminster.

Merchandizing along similar lines to Sears Roebuck in the United States, the firm pioneered suburban department-store building here by erecting a large modern store in the East End.

It now plans a similar one in the western section of the city.

The brothers have already purchased 200 ft. of frontage, and have options on another 100 ft. Purchase price for the first packet was $21,000.

The company doesn't know when building will start, but is now preparing plans. The new store will be along the lines of the first, which the firm calls the "largest suburban department store in Canada."

BROCKVILLE TRUST & SAVINGS CO. net profits were $5,978 lower at $40,494 in 1947. Total assets were over $300,000 higher at $4,821,650.

Mortgages and sales agreements increased in 1947 from $1,797,982 to $2,138,368. Estates, trusts and agencies under administration increased from $2,120,936 at the end of 1946 to $2,218,360 at end of 1947. Mortgage reserves remained unchanged at $40,107.

	1947	1946
Liab. to public, etc.*	$1,808,555	$1,599,482
Reserve for mtges.	40,107	40,107
Sh'holders' equity	754,628	743,992
*Secured by:		
Mtges. & sls. agree.	2,138,368	1,797,982
Furn., fix., etc.	2,533	1,555
Liquid assets†	462,389	584,044
Total	2,603,290	2,383,581
†Includes bonds and stocks.		
Estates account	2,218,360	2,120,936
Earned per share	$4.05	$4.65
Paid	2.87½	2.87½

New Industries, Rural Demand Drain Man. Power Resources

From Our Own Correspondent

WINNIPEG — Progress of its rural electrification program and development of new industries in small towns has put Manitoba Power Commission within shooting distance of utilizing all the 30,000 hp for which it contracted with Winnipeg Electric Co. in 1928. The contract was for a 30-year period and expires in 1956.

Early this year the Commission asked Mines Minister J. S. McDiarmid to request the city of Winnipeg to divert a block of 12,000 hp from its Slave Falls plant. Authority for the demand is in the licence issued to the City Hydro for its Slave Falls development.

Neither Winnipeg Electric Co. nor Winnipeg Hydro have at the moment any extra power nor are they likely to have any as long as demand keeps at its present peak. While there is no immediate power shortage it is plain that within four or five years it will be necessary to have power from sources other than those being utilized at present.

For this reason, the report of Dr. T. H. Hogg (former Ontario Hydro chairman) is eagerly awaited by the Government. Dr. Hogg was engaged last summer to report on what new developments should be undertaken within the next five years.

Manitoba Power Commission so far has obtained all its power from Winnipeg Electric Co. Under the agreement the price was to be not more than $13.30 per hp per year and not less than $11, and within these limits at one half cent per kilowatt hour.

There are provisions in the agreement under which the province, if it requires a block of 500 hp in addition to the 30,000 hp, may give three months notice to the company which, without notice, is not required to furnish the extra power. If extra power needed is more than 500 hp and not more than 1,000 hp six months notice is required; if more than 1,000 hp nine months notice.

These notices have not been given and even if they were, the company hasn't the power.

Winnipeg City Council has referred the Government's request to its public utilities committee.

GOVERNMENT, MUNICIPAL, CORPORATION AND RELIGIOUS INSTITUTION SECURITIES

Société Générale de Finance, Inc.

(GENERAL FINANCE CO. INC.)

Investment Dealers

57 St. James St. W., Montreal

TRADE-TRANSPORT-TRAVEL

A Complete Service In these Essentials is offered by

GUY TOMBS LIMITED

(Established 1921)

GUY TOMBS MARINE SERVICES LTD.

1103 and 1111 Beaver Hall Hill, Montreal 1

SHIPPING AGENTS IN CANADA FOR UNITED NATIONS AND OTHER INTERNATIONAL RELIEF BODIES

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CONTINENTAL LIFE INSURANCE CO. on Dec. 31, had $87.6 millions of business in force, a gain of over $9 millions, or almost 12%. New insurance issued during the year including revivals and increases was $15.6 millions ($15.7 millions in 1946). The average policy for ordinary business issued in 1947 was $2,293 raising the average, over-all ordinary business from $1,769 on Dec. 31, 1946, to $1,811 at the end of 1947. The company also has in force annuity contracts providing total annual payments of $39,358.

The statement of income and outgo is on a cash basis and shows premiums collected in cash, less amount paid in cash for reinsurance with other companies at $2.4 millions. Interest, rents and other cash income, totalled $742,378, including $93,244 for profit on the sale of securities. Total receipts for the year were $3.3 millions.

Payments to policyholders and beneficiaries were almost $1.1 million. Death claims included in this amount were $297,481. Since organization the sum paid to policyholders and beneficiaries totals $19.9 millions, of which $14.1 millions was paid to living policyholders. Managing-director Newton J. Lander (now president) reported at the annual meeting that the company continues to experience a very favorable rate of mortality. Expenditures for advertising increased about one-third in 1947 to build goodwill for the company, and the confidence of policyholder, client and the public generally. Taxes were $16,274 higher.

Total assets at the end of the year were $17.4 millions, an increase for the year of $1.3 million. The rate of interest earned on invested assets was slightly lower than in 1946, gross rate being 3.945% against 4.006%, and the net 3.756% against 3.814%.

Sales of real estate effected during the year brought real estate owned by the company, other than the company's head office building down to $2,000. Reserve for insurances and annuities now stands at $14.8 millions, up almost $1.2 millions from the previous year. Free surplus at $454,233 is up $42,097.

Important items in the statement with comparison follow:

	1947 $	1946 $
Insurance in force	87,624,261	78,425,339
New insurance	15,599,198	15,756,153
Total receipts	3,297,592	3,068,329
Policy payments	1,094,346	1,114,743
Expenses	798,203	758,102
Taxes and fees	67,379	51,104
Sh'holders divds.	17,000	17,000
Other payments	40,187	8,616
Inc. in ledger assets	1,276,083	1,038,827
Assets wr. down	4,392	27,937
Liabs. to p'holders inc. actuarial res.	16,260,758	14,998,786
Liabs. to sh'holders	221,517	220,017
Other liabs.	226,298	223,058
Special reserves	225,000	225,000
Total assets	17,387,806	16,079,897
Surplus	454,233	412,136
Int. earned	3.756%	3.814%

MUTUAL LIFE ASSURANCE CO. OF CANADA reports total insurance in force on Dec. 31, 1947, at $937.4 millions, a gain of $82.2 millions over 1946, and a new high record. New insurance paid for at $109 millions was up $4 millions. Total assets rose $18.4 millions to $305.2 millions and surplus earnings, from which come premium refunds or dividends to policyholders, were $5.4 millions.

Total receipts for the year were $45 millions. Of these the item "premiums $27 millions," in the accompanying table, includes $24.9 millions premiums for life insurance, and almost $2.1 millions, consideration for annuities, showing increases in both cases. Investment income, interest, dividends and rents after provision for future possible losses totalled $10.8 millions.

The rate of interest earned on invested assets was 3.84% against 3.96% in 1946. Total policy payments, including death and disability claims, matured endowments and surrender values, annuity payments, policy proceeds and dividends on deposit and other amounts withdrawn were $16.3 millions about $590,000 less than in the previous year.

General mortality experience is reported as "very favorable," the ratio of actual to expected mortality being lower than in 1946. But the ratio of double indemnity claims to expected was higher, due to an increase in the number of accidental deaths. Dividends paid or allotted to shareholders were $4.2 millions against $5.2 millions in 1946, the decrease being due probably to an extra dividend having been paid in 1946.

Among the assets, mortgages and sale agreements at $38.5 millions were about $6.2 millions higher and now comprise $12.6% of the total. On Dec. 31, total city and National Housing Act Loans were $27.9 millions and $8.8 millions respectively. NHA mortgages increased by $2.6 millions and comprise 22.9% of the mortgage portfolio, (19.2% 1946). Bonds are 75% of total assets, with holdings of Dominion direct and guaranteed debentures up $3.2 millions to $172.9 millions.

Of the total business of $909 millions exposed to terminations, actual terminations in 1947 from all causes were $32.1 millions or 3.53% of the total. Comparative figures follow:

	1947 $	1946 $
Insur. in force	937,404,062	855,165,736
New insurance	109,042,828	104,946,910
Total income	45,463,998	44,217,077
Premiums	27,030,236	25,620,477
Int., divds., rents.	10,883,673	10,536,263
Policy payments	16,304,410	16,897,185
Expenses	5,897,255	5,422,830
Ledger assets w/o	50,393	81,521
Inc. in pol. res., etc.	17,226,257	17,382,886
Surplus earnings	5,432,440	5,500,426
P'holders divds.	4,194,200	5,268,111
Liabs. to p'holders incl. actuarial res.	277,190,541	259,867,503
Other liabs.	4,159,092	4,259,701
Spec. reserves	10,480,064	10,250,000
Total assets	305,233,411	286,792,678
Free surplus	13,403,714	12,415,474
Interest earned	3.84%	3.96%

FOREIGN POWER SECURITIES CORP. net loss in 1947 of $82,506 was $36,129 greater than net loss of 1946. Most of the companies in France in which the company is interested declared interim dividends amounting to 9,634,695 Frs. in 1947. These dividends were derived from payments by the French Government on account of interest on the Nationalization bonds, none of which have yet been issued, President A. J. Nesbitt states.

In common with other foreign shareholders it was felt that to accept these dividends might be construed as an abandonment of the company's claims to be paid for its securities in cash instead of in bonds.

The company has tried to secure an equitable basis of settlement and payment for its holdings of French public utility companies taken over under the Nationalization Act which became effective, June 1, 1946. Representations made have not yet been successful in securing a decision from the French Government, Mr. Nesbitt adds. Bond interest coupon No. 22, due June 1, 1940, and all coupons which have become due subsequently must of necessity remain unpaid until the outcome of the settlement with the French Government.

INCOME ACCOUNT

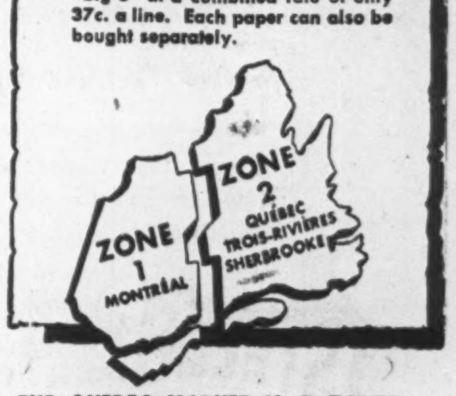
Years Ended Oct. 31:	1947	1946
Net earnings	$29,144	$54,693
Less: Int. & exch.	101,070	101,070
French cap. tax	7,957	......
French legal exp.	2,623	......
Net loss	82,506	46,377
Times Int. Earned	0.29	0.54
Earnings per Share and Dividend Record:		
Pref.: Earned	d$1.65	d$0.93
Common	d3.06	d2.77
None paid on either class of stock.		

CONDENSED BALANCE SHEET

As at Oct. 31:	1947	1946
Cash	$5,778	$19,423
Invests. at cost	8,941,528	8,867,371
Misc. assets	39,890	79,113
Deficit	8,538	......
Total assets	8,995,734	8,965,907
Bond int. accr.	800,137	699,067
Accts. pay. & accr.	11,097	9,313
Total curr. liab.	811,234	708,380
Funded debt	1,684,500	1,684,500
Capital stock	6,500,000	6,500,000
Surplus	......	73,027

YOU MAY NOT KNOW THAT...

1. There are more French prospects in "Zone 2" than in "Zone 1"—nearly 250,000 more.
2. Montreal and Ottawa daily newspapers give excellent coverage of "Zone 1" but their overflow in "Zone 2" is negligible. For example, even the largest Montreal French daily has an average circulation in "Zone 2" of less than 15,000 copies, from Monday to Friday (A.B.C. Dec. 31st, 1945).
3. The annual industrial payroll in "Zone 2" is almost 50% greater than the three Prairie Provinces—over 100% greater than the three Maritime Provinces.
4. You can basically cover this rich Quebec market by using the "Big 3" at a combined rate of only 37c. a line. Each paper can also be bought separately.



...and no wonder! He thought he'd been kept well posted on his advertising in the Quebec market. But sales were not nearly what they should be. And he'd just found the answer! Somebody's face is "going to be red". *Somebody* should have known that the most populous French market is *East* of Montreal. *Somebody* should have told the boss that even the largest Montreal French daily newspaper has an average circulation, in what is commonly called "Zone 2", of less than 15,000 copies, from Monday to Friday (A.B.C. Dec. 31st, 1945). And the boss has been depending on "overflow"—he'd never been told before that only the "Big 3" in "Zone 2" wield the heavy "sales stick". Somebody's face is "going to be red"...

FOR BROCHURE giving you all the facts about this rich market, 'phone, write or wire: A. H. TOPPIN, Room 33, 9 Toronto Street, Toronto, Ont. (Telephone: ELgin 6922).

THE QUEBEC MARKET IS 2 ZONES:

"Zone 1" consists, roughly, of the Island of Montreal and the Ottawa Valley. "Zone 2" is that part of the Province, *East* of this territory. Be *sure* you are getting coverage of the *whole* market—not *less than half* of it!

THE "BIG THREE" IN QUEBEC'S MOST POPULOUS FRENCH MARKET GIVE BASIC COVERAGE TO REACH MORE THAN 1,400,000 PROSPECTS WITH AN ANNUAL BUYING POWER OVER *$300,000,000.

*1944 D.B.S.

471

LE SOLEIL
L'ÉVÉNEMENT-JOURNAL
QUÉBEC

Le Nouvelliste
TROIS-RIVIÈRES

LA TRIBUNE
SHERBROOKE

Agriculture Big Business in Quebec Aim to Curb Youth Trek from Farms

Farming was a profitable business in Quebec in 1947. According to the provincial Department of Agriculture, the value of production of nearly all agricultural products was ahead of 1946. Field crops, at an estimated value of $158.7 millions, showed a dollar increase of roughly 15%. Production of some fruits and vegetables was up 50% to 100%. Flue-cured tobacco crop showed an increase of about 200,000 pounds. The dollar value of maple products and honey was up 100%; butter up 13.5%; ice cream 46%; concentrated milk products 14%. Livestock slaughterings were down generally but hogs showed a 26% increase. Egg production increased by almost two million dozen and poultry meat by more than two million pounds.

While crop production of many commodities showed substantial increases over 1946 the real basis of farm prosperity, as elsewhere in Canada, was in the higher prices received.

	1946	1947
	$	$
Wheat-bus	1.25	1.48
Oats	.69	.79
Barley	.90	1.03
Mixed Grains	.83	.94
Potatoes-cwt	1.85	2.11
Turnips	1.00	1.10
Hay & clover-ton	12.98	14.49
Maple Syrup	2.92	3.48

Price increase does not, however, tell the whole profit story. Higher prices meant any of three things to the farmer: (a) he received the same or more money for fewer acres planted, less work (b) he got a lower yield per acre but received the same or more money (c) he increaed his acreage and his yield thereby realizing a still greater return. Generally, however, the over-all effect was that the farmer received a higher return per acre. For example, the value of all field crops per acre increased from $21.20 in 1946 to $24.83 in 1947, approximately 15% higher.

Production Higher

Fortunately also the production of many products on which there was a substantial price increase during the year, rose. Maple syrup production, a big Quebec item, jumped from 1,638,000 gallons to 2,831,000 gallons in 1947. Maple sugar, which showed a 10 cent-lb price rise, increased more than 800,000 pounds.

Indications are that one of Quebec's newer farm crops—tobacco—also experienced a good year. While figures are not available for the cigar and pipe tobacco crop, flue-cured tobacco production increased approximately 5%. A slightly smaller acreage was planted in tobacco last year but it is likely that the 1947 crop will come close to the previous year's 10 million lb. total. Quebec's tobacco growing district around Joliette is one of the province's important land reclamation jobs. A non-productive area comprising 50,000 acres, this land at one time sold at 50 to 71 cents an acre. Now approximately 7,000 acres have been cleared and it is expected that a total of 21,000 acres will eventually be reclaimed.

An apparently wise government provision, rules that tobacco growers must not increase their acreage more than 10% a year. Purpose of this is to assure that high quality crops are maintained and that the farmer wll not overburden himself with debt. This provision to some extent accounts for no increase in tobacco acreage in 1947, it is stated. But even with no large-scale increase, tobacco has become an important part of Quebec's agricultural economy. It is estimated that 3,000 or more workers are required to handle the tobacco crop, which means more farm employment.

Curb Trek From Farms

Reclamation projects such as this form an important part in the province's over-all agricultural program, the object being to check the movement of young farmers to the cities and towns. Many Quebeckers would like to see the country-to-city trend reversed. One way this might be achieved is to make farm lands available near to city markets and city attractions.

One such reclamation project is already under way. Starting last year and continuing in 1948 the Department of Agriculture is spending a large sum recovering about 100,000 acres of muck land in Chateauguay district southwest of Montreal. When drained and cleared this land will likely be planted in vegetable crops and worked as market gardens.

Quebec is also devoting considerable attention to improvement of soil in present farm areas. In 1947-48 the Government is spending more that $2 millions, through special appropriations, to improve soil fertility, particularly through more efficient drainage.

Probably the most important part of Quebec's program to keep men, young men in particular, on the farm is through direct government assistance to farmers' sons and by grants to schools and colleges. Here are some of the highlights in the Department of Agriculture's program:

(a) In 1947-48 1,281 farmers' sons were assisted financially to permit them to buy and operate their own farm.

(b) Scholarships are available to all farmers' sons while they attend agricultural schools.

(c) Yearly bonuses paid to country agricultural societies, farmers' clubs, women's clubs and boys' and girls' clubs.

(d) Subsidies paid to three agricultural colleges and 18 secondary schools of agriculture. Of the 18 six are "agricultural orphanages" where the youngsters are taught the fundamentals of farming.

Aid Land Improved

To improve the general level of farming operations, the Government is spending money on land clearing and general land improvement. Next summer it is planned to open a provincial artificial insemination plant with headquarters at St. Hyacinthe. This project is under the supervision of the provincial livestock branch. Farmers can also call on government assistance in the purchase of purebred livestock to improve herds. Under a five-year plan the government is also sponsoring county farm contests, enlisting 1,800 farmers in competitive contests and exhibitions. Demonstration farms connected to agricultural schools, a provincial seed farm at St-Anne-de-Bellevue, a school farm at Deschambault and a provincial dairy farm, also maintained by the government.

An important feature of the government's farm help program is the Farm Credit Bureau, which grants long-term loans to farmers at low interest rates. Farmers' co-operatives also get government assistance. There are nearly 700 farm co-operatives in the province with over 50,000 members. Business transacted by these bodies is said to run around $100 millions yearly. Most of them are affiliated with the Co-operative Federation of Montreal.

U. S. Flouts Geneva Pact In Customs Valuations

Legislative action by Congress is necessary before the U. S. can change its present method of valuation of imports for customs duty.

That's the status on Canadian complaints that goods shipped to the U. S. were being valued at factory price plus Dominion taxes, including sales tax and the recently imposed 25% excise tax.

The excise and sales tax, rules the U. S. Customs Bureau, are part of the "freely offered price in Canda" and under present U. S laws must be included in the value for duty purposes.

There is hope, however, that as a result of the Geneva Conference this ruling will be reversed. Section 3 of Article VII (Valuation For Customs Purposes) of the General Agreement on Tariffs and Trade, signed by both Canada and the United States, provides:

"3.The value for customs purposes of any imported product should not include the amount of any internal tax, applicable within the country of origin or export, from which the imported article has been exempted or has been or will be relieved by means of refund."

Neither Canada's 25% excise tax nor sales tax applies to goods sold for export.

It is expected legislation to implement the Geneva agreement will be submitted to the U. S. Congress as soon as the U. S. departments is concerned are able to complete the necessary steps.

Canada has been negotiating with Washington on this question for some time. It was only just recently that the Canadian Department of Trade and Commerce have been definitely informed of the U. S. ruling, it is stated.

This ruling follows previous decisions of the U. S. Customs Courts that Canadian sales tax is to be included in the U. S. value for duty. Under customs law of the U. S. the basis for the assessment of ad valorem duties is the value declared by the importer or the value reported by the customs appraiser whichever is higher, the Canadian Department of Trade and Commerce explains.

The primary basis of appraisement under Section 402 of the U. S. Tariff Act of 1930 is the "foreign" or the "export" value, whichever is higher. The "foreign" value of imported merchandise is the price at which such or similar merchandise is freely offered for sale for home consumption in the usual wholesale quantities and in the usual course of trade in the country of exportation on the date of exportation, including all expenses incidental to making the merchandise ready for shipment to the United States. The "export" value is similarly defined, except that it is a price at which merchandise is offered for exportation to the United States instead of for home consumption.

Accordingly exports from Canada must ordinarily be asessed on the basis of a value which includes an appropriate amount for the excise and sales tax unless such or similar goods are exempt from these taxes when sold for home consumption in Canada, the Department explains.

Why people read
L'ACTION CATHOLIQUE
According to a Readership Survey just made of Quebec City and entire eastern province, by the Canadian Opinion Company —

- *"More local and international news."*
- *"Politically impartial."*
- *"Observes and respects morality."*
- *"More interesting for women."*
- *"Financial page more complete than that of other dailies."*
- *"Good agricultural page defending farmers."*
- *"Anti-communist."*

L'ACTION CATHOLIQUE
QUEBEC CITY

J.C. BOULET LIMITÉE
Government Municipal, Corporation And Industrial Securities
71, RUE ST-PIERRE-TÉL. 2-5618
QUÉBEC

Less Deadweight—More Payload
THROUGH "STELCOLOY"
LOW-ALLOY HIGH-TENSILE STEEL

Hopper car built of "Stelcoloy" by Canadian Pacific Railway.

"STELCOLOY", the new nickel-copper steel plate, permits the design of rolling stock for increased payloads without sacrificing strength.

"Stelcoloy" possesses sound weldability, good formability, excellent resistance to corrosion, shock and abrasion.

Among the outstanding uses of "Stelcoloy" are the construction of: Railway Box Cars and Coaches, Mine Cars, Motor Buses, Automotive Parts, such as Bumpers, Truck Bodies, Trailers, Cargo Holds for Lake Vessels.

STELCO THE MARK OF QUALITY

For further information, write to our nearest sales office.

THE STEEL COMPANY OF CANADA, LIMITED
EXECUTIVE OFFICES
HAMILTON • MONTREAL
STELCO
SALES OFFICES
HALIFAX, SAINT JOHN, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER

Need a hotel front...

or a hair curler?

Aluminum makes good hair curlers and hotel fronts. It is light. It is strong. It cannot rust.

This is why more than six hundred Canadian companies are making useful and beautiful things of this versatile metal.

Aluminum products range all the way from artificial limbs to railway cars, from muzzles for lobster's claws to bridges, from toys to aircraft. Aluminum is versatile because it is so light, so durable and so economical.

VERSATILE ...and UNIVERSAL

Every country in the world is today buying Canadian Aluminum produced at Arvida, Canada, home of the largest Aluminum smelter in the world. The "Alcan" ingot has become a major factor in world trade — and a valuable source of the foreign exchange which Canada needs to cover her own buying abroad.

ALUMINUM COMPANY OF CANADA, LTD.
Producers and Processors of Aluminum for Canadian Industry and World Markets.
MONTREAL • QUEBEC • TORONTO • VANCOUVER • WINDSOR

SATURATION COVERAGE of QUEBEC'S BIG BUYERS

IN QUEBEC CITY alone, 3,443 copies of the Chronicle-Telegraph serve 3,000 families in the English Speaking group with well above average purchasing power. This is conclusive evidence of the Chronicle-Telegraph's powerful saturation coverage.

No other publication can give such a complete coverage of this important sales outlet.

For a thorough job in Quebec's able-to-buy market plan your 1948 and post war schedules to include the Chronicle-Telegraph.

Net Paid Circulation

6 months ended Sept. 30, 1947

5,016

The Quebec CHRONICLE-TELEGRAPH

Canadian Investment Fund Increases Gold Holdings

Increased holdings in shares of two senior gold producers—Dome Mines and Lake Shore Mines—and reduction in holdings of seven industrial common stocks, featured portfolio changes of Canadian Investment Fund in the period from Sept. 30, 1947, to Dec. 31, 1947.

In the same period the company invested in the preferred stock of British American Oil Co. and increased its participation in preferred stock of Shawinigan Water & Power Co. The company's investment in long-term Dominion Government bonds was liquidated and substituted by short-term Dominions.

CANADIAN INVESTMENT FUND
Portfolio Changes, Sept. 30 to Dec. 31, 1947

	Sept. 30, 1947	Dec. 31, 1947
Common Stocks:	Shares Held	
Aluminium, Ltd.	1,250	1,000
Bell Telephone Co.	1,630	1,600
Consumers Glass Co.	2,000	1,500
Dome Mines	3,900	7,500
Dominion Bridge Co.	4,900	4,850
Dominion Glass Co.	4,000	3,300
Dom. Tar & Chem. v.t.c.	1,060	....
*Dominion Textile Co.	†3,100	‡27,000
Fam. Players Can. Corp.	2,000	1,800
Lake Shore Mines	6,800	9,000
Page-Hersey Tubes	4,850	4,000
Preferred Stocks:		
British American Oil Co. 3¾% conv.	....	2,000
Shawinigan Water & Pr. Co. 4% cum.	300	600
Bonds:	Par Value Held	
Dom. of Can. 3% 1966	$1,100,000	....
Dom. of Can. 1¾% Nov. 1, 1948	....	$1,500,000

*Sold 100 old shares and received 9 new shares for each remaining old share held.
†Old. ‡New.

At the end of 1947, the investment portfolio contained common stocks of 46 Canadian companies and of nine U. S. companies, together with seven preferred stocks and one bond issue. Short-term government bonds, preferred stocks, and cash, etc., net, amounted to 19% of total net assets at market, the balance 81% being in common stocks. Canadian assets comprised approximately 81% of the total, the remaining 19% being in U. S. dollar assets.

Total net assets at end of 1947, with securities valued at market quotations were $12,554,079 as compared with $12,103,863 at end of Sept., 1947. Balance of realized profits on sales of investments was $1,188,136; and quoted market value of investments exceeded their average cost by $1,358,752.

Cut Builders' Tax To Speed Bldg?

Small-scale building contractors should be offered a special income tax exemption to encourage construction of low-cost houses for sale and offset pressure for subsidized rental building by public authority, Harold A. Timmins (PC, Toronto-Parkdale) told the Commons last week. His Toronto law practice is largely concerned with house builders, their work and associations.

Mr. Timmins said small builders should get an income tax exemption of $500 of their profit on every house they built. Alternatively they might be allowed to invest a $500 per house profit in succession-duty-free bonds.

"My plan in a way is a subsidy. It is unorthodox. But if the Government wants to keep a firm hand on control of subsidized rental housing, some stronger incentive to private builders must be provided."

'War' Houses Built to Sell Halifax Plan

From Our Own Correspondent

HALIFAX — Under an agreement between Ottawa's official Central Mortgage & Housing Corp. and city council here 305 individual houses will be built "at once" in Halifax Northwest by the government agency's Wartime Housing division. Investment will be of the order of $2¼ millions with individual units costing or valued at $7,000 to $7,500, including land and services.

In a new and unheralded twist to Canada's 6-year-old subsidized federal-municipal rental house-building program, the new houses will first be offered for sale at around $7,500. Those not sold will be rented at $55 a month maximum. "Wartime" houses in Canada hitherto have been offered for sale usually only after occupation on a rental basis.

With a street and lot plan described as one of the nation's most effectively designed "neighborhood" projects, the development is scheduled to get rolling weeks hence. In addition, CMHC is said negotiating with private interests for construction of 180 other individual houses in the immediate vicinity and exclusively for sale.

"We anticipate no major delays; count on getting all materials needed for Halifax house-building this year," says CMHC Regional Administrator James E. Dudley.

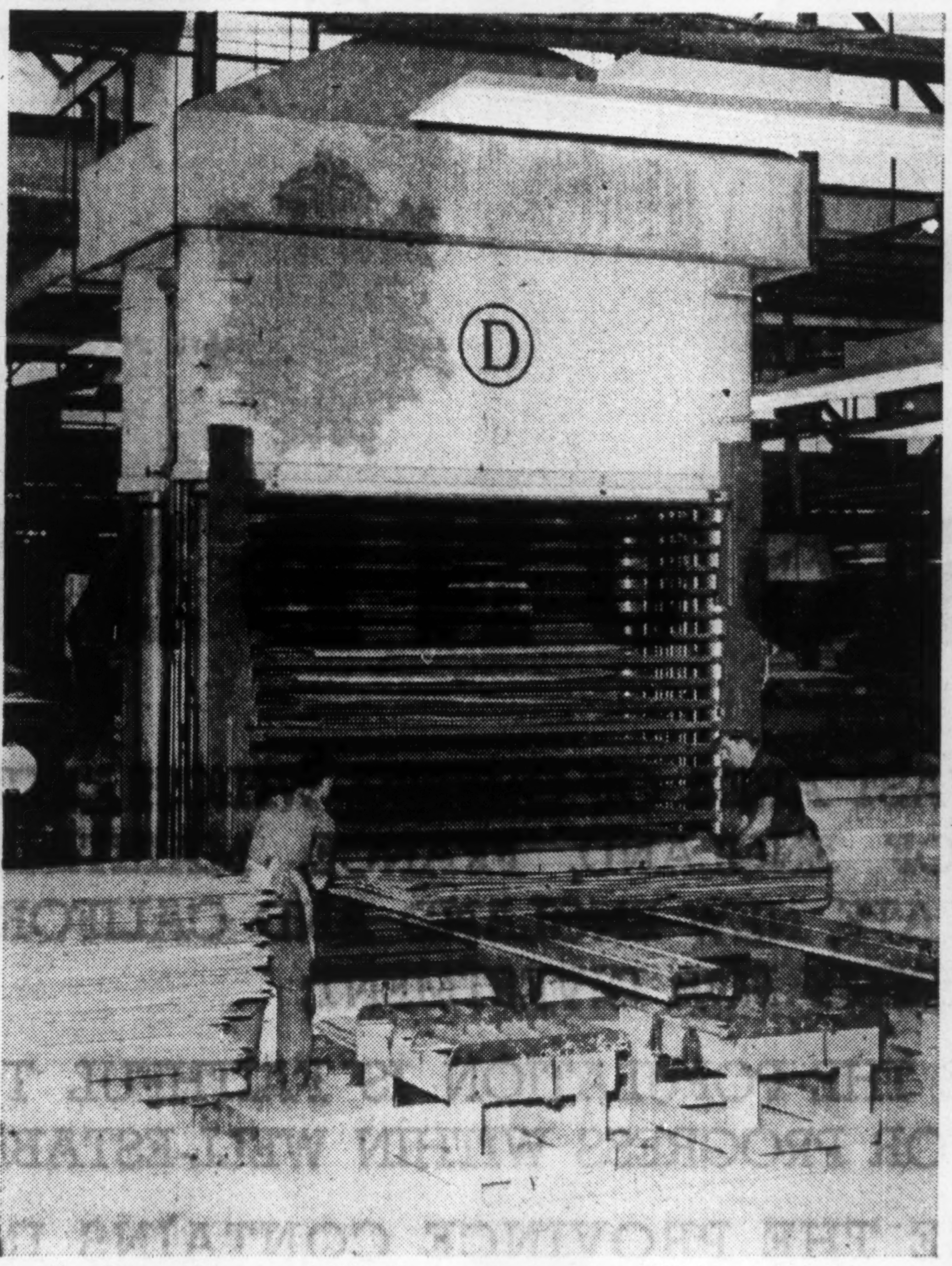
$467 Per Serviced Lot

Under the agreement, which is part of the new "Wartime Housing" deal nominally set at 12,000 units for all Canada and announced by Trade Minister Howe last October, the Crown agency will pay the city $142,325 for land and for installation of sewers, watermains, etc. This amounts to about $467 per serviced lot.

The terms in general:

Halifax agrees to sell raw land for $150 a lot, to install "minimum" services, to accept $65 a year per house in lieu of full taxes as long as CMHC retains ownership.

Ottawa agrees to buy lots at about average $150, pay the city about average $350 per lot to defray capital cost of services installation, plus $65 capital charge for water connection; to build "moderate-priced" homes suitable for private ownership and either about $50 to $55 a month, with priority to veterans in either case.


New wealth comes out of this "hot press" in the Gatineau Mills' plywood plant of Canadian International Paper Co.

TORONTO STOCK EXCHANGE call loans of member firms as of Jan. 31 totalled $32,563,979 as compared with $34,385,871 in December and $30,667,193 a year ago. At the same time, ratio of call loans to quoted market value of all stocks listed on the exchange was .46 of 1% compared with .48 of 1% a month ago and .41 of 1% in January of 1947.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ORANGE CRUSH LTD. consolidated net profit for the year ended Oct. 29, 1947, was off sharply at $132,157. Total sales increased approximately 5% but this was not sufficient to offset increased expenses. Accounts include those of the U.S. subsidiaries for the first time.

Sugar rationing ended both in the United States and Canada during the year and the aggressive competition which resulted emphasized the importance of strengthening the company management. Top executives of proven ability and with records of success have been secured and now occupy key positions in the various companies. Chairman and President J. William Horsey states. Operations are being geared to take full advantage of sales and merchandising possibilities for the wide range of soft drink beverages produced by the company, it is stated. The management of the companies has to a large extent been decentralized throughout Canada, United States and foreign territories thereby increasing efficiency and placing direct responsibility upon division managers for sales and earnings in their territories. Closer contact and more satisfactory service will be provided to retail outlets, fountain trade and franchise bottlers, Mr. Horsey states.

The accelerated sales program both in Canada and the United States will require increased working capital, and company shareholders will shortly be offered rights to subscribe for additional shares of the capital stock of the company.

CONS. INCOME ACCOUNT

Years Ended:	‡Oct. 29 1947	Oct. 30 1946
Net earnings	$518,313	$460,439
Add: Prof. assets sold	6,156	59,690
Ins. recov., etc.	....	88,144
Less: Bond int.	47,272	50,387
Bank & oth. int.	52,472	......
Depreciation	81,019	98,106
Inc. tax res.	137,927	127,522
Minority int.	62,988	31,430
Conting. res.	....	25,000
Misc. chgs.	10,633	17,002
Net profit	132,157	258,826
Less: Pref. divd.	....	47,749
Com. divd.	127,500	....
Surplus for year	4,657	211,077
Times All Interest Earned:		
Before depr.	5.26	12.07
After depr.	4.45	10.12
Earnings per Share and Dividend Record:		
Pref.†: Paid	....	$1.40
Com.: Earned	$0.44	*1.04
Paid	0.45	....

†Redeemed Oct. 29, 1946.
*Based on 250,000 shs. then outstanding and before allowance for pref. dividends.
Note—No income from U. S. subsid. is included in 1946 statement. Earnings of U. S. subsids. applicable to shares held from date of acquisition to Oct. 31, 1946, of $122,344, were included in Oct. 29, 1947, earned surplus account.
‡Consolidation includes U. S. subsidiaries, excepting Orange Crush Bottling Co., Houston, in 1947.

CONDENSED CONS. BALANCE SHEET

As at:	‡Oct. 29 1947	Oct. 30 1946
Cash	$207,842	$252,413
Accts. rec.	438,870	177,028
Inventories	2,213,659	399,995
Total curr. assets	2,860,371	829,436
Advg., prep. exp.▲	44,995	102,892
Life insur. c. s. v.	12,399	23,110
Inv. in subs. & affil.	91,045	3,035,060
Containers	457,093	423,902
Misc. assets▲	254,587	54,008
G'will, re cons.	4,165,776	......
Fixed assets*	2,542,299	1,628,026
Total assets	10,428,565	6,096,434
Bank overdraft	411,370	......
Accts., tax., etc., pay.	1,332,911	429,012
Total curr. liab.	1,744,281	429,012
Cont. res., etc.	25,000	25,000
Excess bk. val.	......	6,260
Funded debt	3,100,000	1,375,000
Minority int.	354,652	78,700
Other liabs.	290,388	253,128
Capital stock	4,403,577	3,532,461
Capital surplus	54,905	68,111
Earned surplus▲	455,762	328,762
*After depr. of	1,119,127	910,226
▲Incl. ref. EPT	19,250	......

‡Includes U. S. subsidiaries, excepting Orange Crush Bottling Co., Houston.
▲Included in curr. assets in co's. accts.

Working capital	1,116,090	400,424

GOVERNMENT; MUNICIPAL AND CORPORATION SECURITIES

SOCIÉTÉ DE PLACEMENTS, INC.

231 St. James St. W.
MONTREAL

Hamel, Fugère & Cie, Ltée

Investment Dealers

71 St. Peter St.
Quebec, Que.

Bonds Bought and Sold:

DOMINION OF CANADA
PROVINCES
MUNICIPALITIES
SCHOOL COMMISSIONS
RELIGIOUS INSTITUTIONS

Board of Directors

Roger BELANGER, President
Gustave CATELLIER, Vice-President
Gaston THIBODEAU
Charles-J. DUPUIS

Paul Gonthier & Cie
LIMITÉE
276 St. James St. West, Montreal
Tel. HA. 8276

G. H. WOOD & COMPANY LIMITED
MONTREAL · TORONTO · VANCOUVER
Branches throughout Canada

SOCIETE NATIONALE DE FIDUCIE

Administrator—Executor
Trustees for Bond Issues
Transfer Agent and Register
Real Estate — Mortgage Loans

VICTOR MORIN—*President*
J. V. DESAULNIERS, B.A.—*General Manager*
HENRI OUIMET—*Associate General Manager*

41 St. James St., West
MONTREAL 1

THE TRANS-CANADA TELEPHONE SYSTEM

An Essential Part Of The Daily Life Of Canadians From Coast To Coast

Trans-Canada Telephone System, an association of the telephone systems of Canada, today provides the fast, efficient Long Distance telephone service that is an essential part of all business and home life. Through the coast-to-coast circuits of Trans-Canada Telephone System, you can reach any point in Canada having telephone service, or any other point, at any time. Your Long Distance telephone call will be put through usually while you hold the line. Connections are crystal-clear... rates so inexpensive that you can call from Halifax to Victoria for as low as $3.95. Make Long Distance a part of your life—phone Long Distance regularly.

TRANS-CANADA TELEPHONE SYSTEM

UNITED TO SERVE CANADA

MARITIME TELEGRAPH & TELEPHONE COMPANY LIMITED • THE NEW BRUNSWICK TELEPHONE COMPANY LIMITED • THE BELL TELEPHONE COMPANY OF CANADA
MANITOBA TELEPHONE SYSTEM • SASKATCHEWAN GOVERNMENT TELEPHONES • ALBERTA GOVERNMENT TELEPHONES • BRITISH COLUMBIA TELEPHONE COMPANY

SOUNDNESS

IN THE VAST AREA OF QUEBEC, WHICH EXCEEDS THE COMBINED AREAS OF ENGLAND, FRANCE, MARITIME PROVINCES, NEW YORK STATE, NEW ENGLAND AND CALIFORNIA, LIES THE REAL OPPORTUNITY FOR INVESTMENT;

BECAUSE THE POPULATION IS FAITHFUL TO PRINCIPLES THAT STAND FOR PROGRESS WITHIN WELL-ESTABLISHED ORDER;

BECAUSE THE PROVINCE CONTAINS IMMENSE NATURAL RESOURCES AND HAS EXCELLENT TRANSPORTATION FACILITIES.

This oldest and largest province of Canada moves along its calm way undisturbed by the storms of troubled thoughts which are agitating other parts of the world. The people of Quebec believe in the sober principles which stand for progress within well-established order, for progress not of an ephemeral order but a progress based on sound and lasting rules. This spells in the practical things of every day life respect for honest investment, encouragement to private initiative, belief in the principle that capital and labor are partners in the common task of building an ever greater province.

Pseudo philosophies of State interference in every phase of life find no encouragement in the Province of Quebec.

Nowhere else in the world will honest capital find a better haven than in Quebec, nor opportunity for reasonable return and adequate protection in its honest task of serving man.

The waterpowers of Quebec have undergone developments which have already produced a quickened industrial life, and which are capable of meeting all demands which industry may make. There is no limit which can be seen now as to their future developments. Located strategically by a benevolent Providence in the various parts of the province, the waterpowers permit of establishment of industries of all kinds where power, in great and small quantities, can serve industry every day of the year. Some waterpower developments of the province already in operation are the epic type, and emphasize what is to come.

The mineral development of the Province of Quebec stands today on the dawn of an expansion which experts believe will make world mining history. The variety of metals, their abundance, and their accessibility, are evidences of what is to come in rapid order.

Scientific forestry research is pointing still more avenues for the use of the varied types of woods grown in the Province of Quebec. The vast forest industry of the province — the continental centre of newsprint production par excellence, for example — is at the dawn of still greater development, and along new lines thanks to such scientific discoveries as to uses which may be made of woods hitherto held to be of minor importance. Under scientific supervision the forests of Quebec will insure the permanency of its waterpowers, of the fertility of its agricultural life — still and always the primary strength of the province — the preservation of its fauna and fisheries.

The forests of the province are reserves that will provide the wood with which to build and rebuild the cities and towns of the continent, and assure the continuance of supply for the newsprint of a free Press. The marine fisheries, already noted for the fine quality of their yields, are on the threshold of a development which will mean reaching into distant markets.

Recognition has come of late to the fact that the tourist industry is one which is to rank amongst the great industries of the centuries. Where else on such a scale can such an industry be developed than in Quebec — with its majestic rivers, its thousands of lakes, its wild life, and with a people inhabiting it who have lost none of the graces of hospitality which distinguished their forebears? The province, where old and new ways of living sometimes blend together in a unique manner, sometimes contrast peculiarly, offers the tourist the "quite different" surroundings he seeks.

The healthful winter climate, with its deep snows, affords opportunities without rival for the development of a great winter playground in the mountain ranges which stretch across the province. Here are pleasures comparable with the delights which open up to the disciples of Izaak Walton, and the followers of Nimrod at other seasons of the year.

The height of ocean navigation is found at Montreal, and down the river from Montreal to the ocean are other well equipped ports capable of handling cargoes from all lands of the world. From Montreal stretch out the lines of the world's two greatest rail transportation systems, and the interior of Canada can be reached from the Metropolis by a system of canals ever being improved.

The network of highways is excellent. Though already extensive, it is being increased to meet new requirements. There are up-to-date airlines.

Add to the advantages enumerated the primary factor — the sanity of the people and their desire for progress in order — and the glimpse is given to the illimitable resources which await but the touch to be transformed into untold wealth, and the picture of the after-war future is unrolled.

GEORGES LÉVEILLÉ,
Secretary to the Prime Minister
Director of Provincial Publicity Bureau